

RATIONAL GENEROSITY:
THE INDIANAPOLIS FOUNDATION AND THE COMMUNITY FOUNDATION
RESPONSE TO THE GREAT DEPRESSION

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CHAPTER ONE

INTRODUCTION

Why write about the Great Depression or the community foundation response to it?

In the midst of this thesis' writing, the nonprofit sector finds itself in a protracted economic recession both in the United States and globally. A study on the community foundation response to the Great Depression was developed in reaction to the current economic downturn. History is a field of study which not only provides a gateway to understanding our past, but it provides insights crucial to making educated decisions in the future. Exploring the historical account of the community foundation response to the Great Depression will both expand the current knowledge base on the philanthropic activities of that time period and provide a viable approach for current and future institutional funders attempting to weather similar economic situations.¹

A number of obvious questions arise around the selection of this topic. For instance, why is the community foundation response to the Great Depression a worthwhile area of inquiry, as opposed to the community foundation response to another economic downturn, perhaps one that is more recent? Furthermore, would not some other type of institutional funder, active during the Great Depression, like a community chest or a private foundation, make a more appropriate subject?

¹ Several portions of this thesis, particularly chapters three and five, are based off of research and drafts of the author's "Leaders: United States, Great Depression to WW II" chapter which will be published in the forthcoming *Leadership in Nonprofit Organizations*, Kathryn Ann Agard ed., (SAGE, Fall 2010).

Researching the work of a philanthropic actor during the Great Depression is merited for three key reasons. Firstly, very little historical research exists on the philanthropic response to the Great Depression. There have been a wide variety of books written about the New Deal and the various social agencies' responses to the economic downturn of the 1930s. However, few actually explore the Depression from the perspective of private agencies exclusively.² Researching the community foundation response to the Great Depression serves to expand the existing knowledge base on the philanthropic activities which occurred during this time period. The Great Depression is an ideal time period to explore for the purpose of finding applicable lessons for nonprofit organizations as it presents the worst case scenario for an American nonprofit attempting to survive through an economic downturn. The United States has never experienced an economic decline of such a magnitude. Consequently, any particular lessons regarding nonprofit survival that can be gleaned from the Depression have a particularly strong resiliency across time periods. Lastly, the Great Depression provides a unique environment for a study of the philanthropic response to an economic downturn. Since the Depression, it has become common practice for the federal government to shoulder the burden of poor relief and social service delivery in the United States. At the onset of the Depression, private agencies in the United States assumed that burden almost exclusively. Consequently, the Great Depression's first three years provide an insight into what kind of response private agencies could muster on their own.

The focus of this work is to explore only the response of community foundations in the interest of comparing that response to those of other community and institutional

²Throughout the paper, the terms "Great Depression" and "Depression" will be used interchangeably to refer to the economic depression suffered by the United States during the 1930s.

fundings. Community foundations prove to be a unique subject for this particular study. As a distributor and recipient of philanthropic funds, community foundations provide an opportunity to explore both the increased demand for philanthropic dollars and the decreased supply that characterized the Great Depression. Community foundations also exhibited a unique giving pattern – one that remained fairly stable throughout the Depression compared to the erratic fluctuations and declines of the other institutional funders.

While the general giving trends of community foundations will be explored throughout the paper, the activities of the Indianapolis Foundation will serve as the thesis' primary case study. This particular foundation was chosen for two reasons: (1) the availability of primary source material from which to construct the case study, and (2) the notable placement of the Indianapolis Foundation among the top giving community foundations in the United States. Throughout the course of the Depression, the Indianapolis Foundation ranked in the top five community foundations in the United States in terms of its yearly disbursements. It also consistently ranked between fifth and sixth nationally each year in its capital asset holdings during the same time frame, trailing only the community foundations in Boston, Chicago, Cleveland, and New York. The Indianapolis Foundation is presently one of the nation's oldest community foundations. It was founded in 1916; only two years after Frederick Goff formed the first community foundation in Cleveland, Ohio. Considering its position as a leading community foundation in the United States, and the availability of research materials, the Indianapolis Foundation was a natural choice to serve as the case study for this research.

Key Research Questions and Roadmap

Three overarching questions, or lines of inquiry, will serve as a guide towards providing an analysis of the community foundation response to the Depression. Firstly, how did community foundations respond to the Great Depression? Secondly, how and why did community foundations respond differently to the Great Depression compared to other funding sources? Lastly, how can the community foundation response to the Depression be used to provide insights and lessons for nonprofits operating in similar situations?

The thesis will explore these questions and provide answers to them over the course of the following five chapters. The chapters are ordered chronologically, beginning with a synopsis of the community foundation movement's beginnings in 1914 and ending with the close of the Depression in 1942. Each chapter will provide a different component to understanding the overall community foundation response to the Depression.

The following chapter explores the beginning of the community foundation movement and describes the development of the community foundation model up until the end of the 1920s. This chapter provides background information on the community foundations and private agencies that existed in the decade preceding the Great Depression. It serves to provide a baseline overview of pre-Depression private relief efforts for comparative purposes. Unless this baseline is established, it is impossible to understand how the Depression affected and changed community foundations and other private agencies.

The third chapter examines the private and governmental responses to the Depression in its first three years (1929-1932). The relief environment of the United States during this period was vastly different than the one that existed under Franklin Delano Roosevelt and the New Deal. The chapter will provide an overview of Herbert Hoover's views on private philanthropy and how those beliefs shaped his response to the Depression. In addition, it will explore the various ways private agencies (both funders and service providers) attempted to react to the Depression largely without government assistance.

Chapter four expands on the material presented in the third chapter by providing an in-depth narrative of the Indianapolis Foundation's specific activities between 1929 and 1933. It focuses on the internal policies that the Foundation's board of trustees adopted to survive the Depression while maintaining the organization's grantmaking activities.

The fifth chapter surveys the New Deal's affect on private relief efforts. It also explores the possible effects that the New Deal might have had on community foundation giving. The chapter contains a section detailing the Indianapolis Foundation's efforts throughout the remainder of the Depression.

The final chapter is dedicated to analyzing the historical narrative presented throughout this thesis in the interest of drawing out useful lessons that contemporary and future nonprofits can use in similar economic situations. Chapters two through five focus on answering the first two lines of inquiry noted above by providing overviews of the various forms of private and government response to the Depression. The sixth chapter

addresses the third line of inquiry by developing general insights that can be applied from the historical narrative presented in the preceding sections.

Recurring Key Terms

A number of key terms will be consistently reiterated throughout the following narrative and analysis. For instance, the term “private agency” is used regularly in place of the more modern term “nonprofit.” The term “private agency” is more consistent with what nonprofit organizations would have been called during the 1920s and 1930s. Furthermore, the use of this term reinforces the concept of there being a differentiation between the “public” (which is used interchangeably with government or governmental) provision of services and the “private” provision of services. “Private” relief efforts were supported out of private charitable dollars only. The paper also uses the terms “philanthropy,” “philanthropic,” “charity,” and “charitable” to represent private giving and relief activities. The use of these terms should not be confused with Hoover’s use of the term “charity” which refers to a type of service provision as opposed to an identified provider.³ Throughout the paper, “public relief” will refer to government-sponsored relief efforts and “private relief” will refer to relief efforts support by private philanthropy.

Community foundations may also be called community trusts in the paper. The term “community trust” was the more common name for these organizations during the 1920s and 1930s while the term “community foundation” has been more commonly used in the last fifty years. However, the thesis uses “community foundation” predominantly to describe these organizations and the term “community trust” rarely appears.

³ An example of Hoover’s use of the term “charity” would be the provision of relief aid. To Hoover, the government was providing “charity” if it clothed and fed the hungry.

The term “institutional funder” will also be consistently used to refer to an organization that provides funding to other agencies in the form of grants and other disbursements. Examples of institutional funders would be community foundations, private foundations, and community chests.

Some confusion might arise between the terms “community chest” and “community foundation.” They are two different organizations and the terms are not used interchangeably in the paper. Community chests were organizations that conducted annual fundraising campaigns to fund a large number of a community’s private social service providers. Community foundations were organizations that made grant disbursements out of accumulated trust income. Additional differentiations between these two terms will be made in the second chapter.

Notable Sources Used

During the research phase of this thesis, it was difficult to find a large number of secondary source histories on the philanthropic activity of the Depression. Historical accounts of such activities have been written, but they must be gleaned from general texts on Great Depression relief efforts or social work histories. Initial research found no academic texts that addressed the specific community foundation response to the Great Depression. Much of the existing literature regarding community foundations is focused on either the early years surrounding the formation of the first foundation in Cleveland or more recent community foundation activities.⁴ The research for this thesis relies heavily

⁴ See either David Hammack’s article on community foundations in *Making the Nonprofit Sector in the United States* (Bloomington, IN: Indiana University Press, 1998) or Richard Magat’s *An Agile Servant: Community Leadership by Community Foundations* (New York, NY: Foundation Center, 1989).

on a variety of Indianapolis Foundation primary source documents; community foundation surveys and advertising materials; and the above-mentioned general Great Depression and social work histories.

This work would not have been possible without the extensive Indianapolis Foundation Records collection at the Ruth Lilly Archives, located on the campus of Indiana University-Purdue University Indianapolis (IUPUI). The following narrative and analysis draw extensively from the Indianapolis Foundation's Board of Trustees minutes and financial reports to provide glimpses into the Foundation's day-to-day operations and funding decisions. The collection also contains useful correspondence between Foundation staff and grant seekers. These letters and notes provide insights into the rationale behind the Foundation's grant approvals and declines.

Among the other primary source texts utilized for this paper were promotional materials from community foundation advocates or conglomerates such as the American Bankers Association's *Community trusts in the United States and Canada; a survey of existing trusts, with suggestions for organizing and developing new foundations* (1931); Frank Denman Loomis' *Community Trusts of America: 1914-1950* (1950); and Wilmer Shields Rich's *Community Foundations in the United States and Canada 1914-1961* (1961). These reports provide general information on the organization of community foundations, their giving levels, and their giving focus areas before, during, and after the Great Depression. Financial reports from the Federal Reserve and the personal papers of presidents Herbert Hoover and Franklin Delano Roosevelt are also utilized to describe the events of the Great Depression and the government response. These sources were supplemented by excerpts from newspapers like the *New York Times*.

A variety of secondary source histories were employed as well. General histories on the Great Depression provided crucial background information on the time period. Notable works in this category included William E. Leuchtenburg's *Franklin D. Roosevelt and the New Deal* (1963); Jeff Singleton's *The American Dole: Unemployment Relief and the Welfare State in the Great Depression* (2000); and Joan M. Crouse's *The Homeless Transient in the Great Depression: New York State, 1929-1941* (1986). The social work histories examined for this thesis included Josephine C. Brown's *Public Relief: 1929-1939* (1971); Dorothy C. Khan's *Unemployment and Its Treatment in the United States* (1937); James Leiby's *A History of Social Welfare and Social Work in the United States* (1978); and Judith A. Trolander's *Settlement Houses and the Great Depression* (1975). The general philanthropic history texts consulted were Robert H. Bremner's *American Philanthropy* (1988); Peter D. Hall's "A Historical Overview of Philanthropy, Voluntary Associations, and Nonprofit Organizations in the United States, 1600-2000," appearing in Walter W. Powell and Richard Steinberg's *The Non-profit Sector: A Research Handbook*, 2nd ed. (2006); John Price Jones' *The Yearbook of Philanthropy: 1945-46* (1946); and David C. Hammack's *Making the Nonprofit Sector in the United States* (1998). Of these noted works, Leiby's and Brown's social work histories were very valuable in constructing general overviews of the private provision of relief services before and during the Depression. The Kahn and Jones texts provided the bulk of statistical data on Depression-era economic and giving trends. A Master's thesis by IUPUI graduate student Bradford Sample, entitled "To Do Some Small Good: Philanthropy in Indianapolis, 1929-1933" (1998), provided superb background

information on the key actors and developments in the Depression-era philanthropic environment of Indianapolis.

A Measured Response: Community Foundations and the Great Depression

The case study of the Indianapolis Foundation provides key insights into the response of community foundations to the Great Depression. This work shows that community foundations maintained consistently stable disbursement levels through the Depression despite fluctuations in revenue. Community foundations also were generally able to either grow or maintain their asset bases throughout the Depression. In the following chapters, it will be argued that these characteristics stemmed from two factors: (1) donor intent and mission-focused grantmaking strategies provided checks on foundation disbursement levels, and (2) conservative fiscal policies protected community foundations' asset bases.

These observations yield a number of useful lessons for modern nonprofits. On the funding side of the table, the Indianapolis Foundation case study and general community foundation trends prove the soundness of not overextending an organization's endowment or trust holdings during economic downturns. Funders can learn from the Indianapolis case study the merits of using mission-focused giving patterns to maintain substantial impact in the community while conserving their scarce philanthropic resources. On the fundraising side, the Indianapolis case study provides examples of why private agencies must develop relationships with institutional funders and donors before an economic downturn strikes. If an organization is tightly tied to the institutional funder

before the economic recession hits, it is unlikely that the funder will drop all of its support (unless it is forced to close its doors).

All of these observations and lessons will be developed and expounded upon throughout the remainder of this thesis. To begin the analysis of the community foundation response to the Depression, the next chapter will start with the preceding two decades of the 1920s and 1910s. Exploring these two decades will provide the reader an understanding of both the beginnings of the community foundation movement and the scope of pre-Depression, private philanthropy in the United States.

CHAPTER TWO

PRE-DEPRESSION RELIEF AND THE FIRST COMMUNITY FOUNDATIONS

Introduction

Before examining the role that community foundations played in the philanthropic response to the Great Depression, it is necessary to first understand the private philanthropic and community foundation environment which existed in the decades preceding the Great Depression. By establishing this initial knowledge of the pre-Depression philanthropic environment, it is possible to see the changes and developments that private agencies underwent during the course of the Depression itself.

In the case of community foundations, the 1920s was a time of growth and expansion. The United States' largest community foundations in New York, Cleveland, Chicago, and Indianapolis created philanthropic programs within their communities while trust companies in cities across the nation attempted to follow these four organizations' by creating their own foundations. Throughout the decade, community foundation assets rapidly rose and their disbursements grew as well. This growth and expansion set the stage for the community foundation response to the Great Depression.

The Origins of Community Foundations

Community foundations, also called community trusts, are institutional charitable givers that distribute grant funds derived from the investment income of trusts.

Community Trusts of America, an informational guide on community foundations, provides two chief duties for these organizations. Firstly, a community foundation was

designed to manage a permanent corpus of funds so as to generate income to make grants. Secondly, community foundations were tasked with properly administering and distributing the resulting grants dollars to community organizations.⁵ In the first few decades of their existence, community foundations fulfilled these two duties by collecting gifts and bequests from wealthy local businessmen and redistributing the investment income from these gifts to local private and public agencies.

The community foundation was first pioneered in Cleveland by local banker Frederick Goff on January 2, 1914.⁶ The Cleveland Foundation was born out of the Cleveland Trust Company's adoption of a "Declaration of Trust," a legal document which created a specific community trust within the trust company. In the case of the Cleveland Foundation, this document created the community foundation itself and granted the Cleveland Trust Company the power to collect and administer all of the gifts and bequests in trust for the benefit of Cleveland and its surrounding metropolitan area.⁷ Under the trust document, the Cleveland Trust Company administered a corpus of monies, the interest from which could be given out to local organizations and agencies in the form of charitable grants. A group of five trustees, three of whom were appointed by public officials and two by the Cleveland Trust Company, decided which organizations in Cleveland would receive the community foundation's funds.⁸

⁵ Frank Denman Loomis, *Community Trusts of America: 1914-1950*, (Chicago, IL: National Committee on Foundations and Trusts for Community Welfare, 1950), 24.

⁶ It should be noted that Frederick Goff was the president of the Cleveland Trust Company (the founding bank behind the Cleveland Foundation). Wilmer Shields Rich, *Community Foundations in the United States and Canada 1914-1961*, 2nd ed. (New York, NY: National Council on Community Foundations, Inc., 1961), 9; David C. Hammack (ed.), *Making the Nonprofit Sector in the United States*, (Bloomington, IN: Indiana University Press, 1998), 333.

⁷ *Ibid.*, 9-10.

⁸ The three publicly appointed trustees of the Cleveland Foundation were appointed by the following officeholders: one trustee was appointed by the judge of the United States District Court for the Northern

Community foundations quickly spread to other cities after the creation of the Cleveland Foundation. By 1916, 17 cities had community trusts (only two years after the Cleveland Foundation's creation). The number of existing foundations grew to 38 by 1920 and had reached 72 by 1931. As the American Bankers Association (ABA) noted in its 1931 report, *Community Trusts in the United States and Canada*, community foundations spread at a far faster rate than their parent trust companies.⁹ The ABA noted that, on average, four community foundations came into existence every year between 1914 and 1931. This rate of growth outstripped the proliferation of trust companies which only grew at a rate of 1.5 new companies every year for the first 63 years of their existence.¹⁰ A full listing of the existing community foundations by 1930, and the years of their creation, can be found in Appendix B.

The majority of the community foundations created in the aftermath of the Cleveland Foundation followed a general structure based on the Cleveland model. The American Bankers Association identified four general components of this “mechanism of the community trust:” (1) a “Declaration of Trust,” (2) the presence of an associated trust company or bank, (3) a “Distribution Committee,” and (4) the presence of a public reporting system to inform the community of the foundation's operations.¹¹ Within this model, the “Declaration of Trust” established a community foundation under the umbrella of a local trust company or bank. This document would also outline the

District of Ohio; one by the judge of the Probate Court; and one by Cleveland's City Manager. Wilmer Shields Rich, *Community Foundations in the United States and Canada 1914-1961*, 2nd ed. (New York, NY: National Council on Community Foundations, Inc., 1961), 10.

⁹ American Bankers Association, *Community trusts in the United States and Canada; a survey of existing trusts, with suggestions for organizing and developing new foundations*, (New York, NY: Trust Company Division, American Bankers Association, 1931), 7.

¹⁰ Ibid.

¹¹ Ibid., 8.

geographic focus of the foundation, its giving priorities, and the composition and selection methods of its board of trustees (the “Distribution Committee”). As the fourth component of the community trust mechanism notes, these organizations usually had their accounts audited by an independent auditor whose findings were reported through local newspapers or filed in probate courts.¹²

A bank or trust company was behind the creation of every community foundation and these institutions were central to the operation of these institutions. In almost all cases, banks and trust companies were given the power to appoint trustees to the boards of their respective community foundations. In a survey of 57 community foundations in 1931, the American Bankers Association found that all but 5 of the institutions had bank-appointed trustees sitting on their boards.¹³ Indeed, in 1931, banks and trust companies had the power to appoint roughly one third of all community foundation trustees in the United States.¹⁴ Beyond these appointment powers, trust companies and banks were the financial machines responsible for generating the investment income for each foundation’s grant-making endeavors. While the foundation’s board made the decisions as to where the community trust’s investment income would be spent, the board had little or no control over the investment policies that generated this income.¹⁵

Community foundation trustees were generally appointed to represent the interests of the community in which the foundation was established. To this end,

¹² American Bankers Association, *Community trusts in the United States and Canada; a survey of existing trusts, with suggestions for organizing and developing new foundations*, (New York, NY: Trust Company Division, American Bankers Association, 1931), 8.

¹³ *Ibid.*, 16.

¹⁴ *Ibid.*

¹⁵ It should be noted that such a division of responsibility only existed in community foundations created through a document of trust. Community foundations created through incorporation might or might not have this division of labor (which would be completely dependent upon how the foundation’s articles of incorporation were structured).

declarations of trust often tasked local public officials, like judges and mayors, with the duty to appoint the remaining members of the community foundation's board not chosen by the associated trust company. According to the same 1931 ABA survey noted above, probate court judges, U.S. District Court judges, and city mayors (or city managers) were the most common individuals to make appointments aside from the controlling banks and trust companies.¹⁶ Foundation trustees, irrespective of who might have appointed them, held terms ranging from two to eight years in length.¹⁷ Generally, trustees were appointed based on their connection to the local community and their knowledge of public relief efforts and needs. The National Council on Foundations, in a 1961 reissuing of the ABA's 1931 community foundation guidebook, noted,

The Distribution Committee or Board should be composed of persons of recognized ability and knowledge of the charitable, educational, civic, and cultural needs of the community. Among essential qualifications for effective performance are the following: outstanding personality; familiarity with the community and its needs through having held important posts in community agencies, projects, or programs; personal experience in philanthropic giving; sound financial judgment and an objective viewpoint [...]¹⁸

¹⁶ The ABA survey found that out of 331 available trustee seats among the 57 largest community foundations of the United States and Canada, 117 were appointed by controlling trust companies, 42 were appointed by U.S. District Court judges, 39 were appointed by city mayors/managers, and 32 were appointed by county probate court judges. These four offices accounted for nearly 70 percent of all trustee appointments within the largest community trusts at the start of the Depression. Other offices that held appointment powers were state governors, municipal court judges, county superior court judges, circuit court judges, local university presidents, and community chest presidents. However, these offices held such powers far less frequently. As of the 1931 survey, the presidents of local universities appointed trustees in five community foundations, and the president of the local board of education appointed trustees in two community foundations. No other references were made in the '31 survey that indicated school boards had control over appointing community foundation trustees beyond these seven instances. American Bankers Associations, *Community trusts in the United States and Canada; a survey of existing trusts, with suggestions for organizing and developing new foundations*, (New York, NY: Trust Company Division, American Bankers Association, 1931), 16.

¹⁷ *Ibid.*, 15.

¹⁸ Wilmer Shields Rich, *Community Foundations in the United States and Canada 1914-1961*, 2nd ed. (New York, NY: National Council on Community Foundations, Inc., 1961), 23.

Trustees were often influential, community leaders who were powerful businessmen, religious leaders, or politicians. Many community foundation declarations of trust disallowed the appointment of more than one or two trustees who shared the same religious denomination. Some foundations also forbade the appointment of salaried public officials to board positions.¹⁹

Every community foundation had a board of trustees or a “Distribution Board.” The largest of the community foundations also maintained an executive director and perhaps a few support staff to provide a means of continual interaction with the community beyond the monthly or quarterly board meeting. However, these staffing resources were not available to the majority of community foundations. For example, in 1930, only thirteen community foundations employed staff. Of these, only six had full-time executive directors. Altogether, community foundations across the United States boasted no more than a combined total of 24 full-time and part-time staff members in 1930.²⁰

Why did community foundations exist? Or, more accurately, why did individuals wish to give money to a community foundation over perhaps a community chest or another local private agency? The promotional literature surrounding community foundations argued that these institutions existed (1) to ensure that bequests did not become irrelevant over long periods of time, and (2) to encourage local, community philanthropy. The Council on Foundations’ guidebook on community foundations touted

¹⁹ Wilmer Shields Rich, *Community Foundations in the United States and Canada 1914-1961*, 2nd ed. (New York, NY: National Council on Community Foundations, Inc., 1961), 23.

²⁰ This number is the combination of all of the employees from the thirteen community foundations that maintained non-board staff positions. American Bankers Association, *Community trusts in the United States and Canada; a survey of existing trusts, with suggestions for organizing and developing new foundations*, (New York, NY: Trust Company Division, American Bankers Association, 1931), 18.

that the institution was a means “to secure greater flexibility and economy in the conservation and use of future capital gifts for the community than could be obtained through rigid endowments of fixed institutions and causes.”²¹

It was not an unrealistic possibility that a particularly large bequest or endowment could become obsolete over time. *Community Trusts in the United States and Canada* provided the example of Bryan Mullanphy, a man who created a sizable charitable trust in 1851 to provide assistance to pioneers moving through St. Louis to settle the Western frontier.²² By the turn of the twentieth century, such a gift was no longer relevant or useful as there were very few individuals left in the United States who could qualify for support under the trust. Under such circumstances, a court would have to invoke the doctrine of *cy pres* to amend the original terms of the trust.²³ While an instrument such as *cy pres* existed to prevent the obsolescence of trusts, invoking this process was costly for the court system and time consuming. The community foundation provided an alternative to leaving a trust for a particular cause or organization and hoping that one’s gift would be exhausted before either the cause or the organization ceased to exist themselves. Instead, an individual could place a gift in trust with a community foundation and the trustees of that foundation would be able to apply that gift to the community’s most pressing need. If that need was alleviated and money remained in the trust, the

²¹ Much of this literature was generated by the associated community trust banks or the foundations themselves. Wilmer Shields Rich, *Community Foundations in the United States and Canada 1914-1961*, 2nd ed. (New York, NY: National Council on Community Foundations, Inc., 1961), 10.

²² *Ibid.*, 9.

²³ *Cy pres*, which means “as near as possible,” is a legal doctrine that can be applied by a court to change the purpose of a charitable trust. The doctrine can only be used in the event that the original charitable purpose of the trust no longer exists and the fulfillment of the trust has either become impossible or illegal. Under such circumstances, a court will attempt to designate a new purpose for a trust that is “as near as possible” to the original purpose. Mr. Mullanphy’s example, outlined in the text, would need to be modified through such means around the turn of the twentieth century because his original charitable purpose, the assistance of pioneers traveling through St. Louis, would no longer exist.

community foundation could apply those resources elsewhere without having to obtain a court's *cy pres* ruling to do so. Consequently, the community foundation was a valuable tool for individuals who wanted to give a large gift or bequest to the community but feared their gifts would become obsolete over time. Because the community foundation addressed this concern, it also encouraged additional philanthropy in the community.

As wealthy businessmen were the most likely individuals to leave a sizable charitable trust at their death (or create one during their lives), they were the primary clients of the first community foundations. Indeed, in the case of the largest community foundations, a small group of donors provided the vast majority of each organization's principal funds. For instance, the large portion of the Cleveland Foundation's assets came from Frederick Goff. In 1930, after sixteen years of operation, the foundation contained assets from only fifteen individual donors (including Goff). In Boston, the gift of one donor, James Longley, supplied the assets of the entire community foundation. Milwaukee's community foundation contained assets from only four donors. Two of the largest community foundations, the Chicago Community Trust and the New York Community Trust, had significantly more diverse donor bases. However, even the majority of their funds came from two to three major donors in each city (i.e. the Harris and Patten families in Chicago, and the Warburg and Rockefeller families in New York).²⁴

²⁴ American Bankers Association, *Community trusts in the United States and Canada; a survey of existing trusts, with suggestions for organizing and developing new foundations*, (New York, NY: Trust Company Division, American Bankers Association, 1931), 27-28.

The First Years of the Indianapolis Foundation:

The Indianapolis Foundation followed the Cleveland model outlined above. However, the foundation was unique for its time in that it was the first multi-bank community foundation to come into existence. Prior to the founding of the Indianapolis Foundation on January 5, 1916, every community foundation had been created and maintained by one founding trust company. In the case of the Indianapolis Foundation, three Indianapolis trust companies, the Fletcher Savings and Trust Company, Indiana Trust Company, and Union Trust Company, combined to form the foundation. These three trusts administered all of the foundation's assets.²⁵

The governance model of the Indianapolis Foundation, while similar to other community foundations, also differed slightly in that the affiliated trust companies had no power to appoint trustees to the foundation's board.²⁶ The Indianapolis Foundation board of trustees consisted of six members. Two of the trustees were appointed by the mayor of Indianapolis. Two were appointed by the judge of the U.S. District Court, and the presiding judge of the Marion County Circuit Court selected the remaining two. All of the foundation's trustees served six year terms, which were staggered so that one trustee position would be up for either appointment or reappointment each year.²⁷

²⁵ "Resolution Establishing the Indianapolis Foundation," Indianapolis Foundation, "MSS49 Board of Trustees Minutes" Box 1, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

²⁶ The trust companies were given the option to jointly appoint trustees in the event that the original parties with appointment powers (the Mayor of Indianapolis or the two judges) did not fill an open trustee position within 30 days of the vacancy. This instance did not arise during the entire surveyed period of this paper (1916-1942).

²⁷ "Resolution Establishing the Indianapolis Foundation," Indianapolis Foundation, "MSS49 Board of Trustees Minutes" Box 1, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

The original board of the Indianapolis Foundation was populated with key community and business leaders from the Indianapolis area. Indianapolis Mayor J.E. Bell appointed Fr. Francis Gavisk, and Henry Hornbrook. Circuit Court Judge Louis B. Ewbank appointed Charles Fairbanks and Josiah K. Lilly, and District Court Judge Albert Anderson appointed Louis Levey and Henry Bennett.²⁸ Gavisk, a Catholic priest, was entrenched in the Indianapolis philanthropic scene, maintaining positions within the Red Cross, Indianapolis Art Association, Indianapolis Chamber of Commerce, and the Board of State Charities.²⁹ Josiah K. Lilly (Chairman, Eli Lilly and Company), Henry William Bennett (President of State Life Insurance Company), and Louis Levey (Levey Printing Company) were local business leaders.³⁰ These individuals, most notably Lilly, held numerous civic and philanthropic leadership positions in Indianapolis.³¹

Of the six original appointees, Charles Fairbanks served as the first chairman of the board.³² He was succeeded, upon his death, by Josiah K. Lilly in 1919.³³ The Indianapolis Foundation's board of trustees was given full control over the expenditure decisions to be made out of the investment income from the Foundation's various

²⁸ "Appointment of Trustees, January 5, 1916," Indianapolis Foundation, "MSS49 Board of Trustees Minutes" Box 1, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

²⁹ Bradford Sample, "To Do Some Small Good: Philanthropy in Indianapolis, 1929-1933," (M.A. Thesis, Indiana University, 1998), 253.

³⁰ *Ibid.*, 246, 260-261.

³¹ Lilly's affiliations alone were numerous. He held positions on the Indianapolis Foundation, Indianapolis Community Fund, the Purdue University board of trustees, YMCA, the English Foundation, the State Symphony Society, and others. *Ibid.*, 261.

³² "Board of Trustees, January 5, 1916 Minutes," Indianapolis Foundation, "MSS49 Board of Trustees Minutes" Box 1, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

³³ J.K. Lilly would hold the chairman position on the Indianapolis Foundation board through 1933.

trusts.³⁴ However, there were limits on what types of charitable programs could receive the Foundation's resources.

The Indianapolis Foundation's funding criteria were constrained by its founding document, the "Resolution Establishing the Indianapolis Foundation," which had been written and signed by all three founding trust companies. This document specified the following focus areas of the foundation's grant-making activities:

That in ordering the disbursement of such income the board of trustees, acting with the approval of at least four members, have full discretion except insofar, as limited by a donor or testator and except that if a court of last resort adjudge the limitation hereinabove as to charitable uses too broad it shall order the disbursement, a third for the relief of the needy poor and the improvement of living conditions in Indianapolis, a third for the care of the sick or aged in said city and a third for educational and philanthropic research in said city [...]³⁵

In other words, unless the donor limited his or her gift, the board of trustees was to use the resulting income or principal (if allowed) to address three funding areas: (1) poverty, (2) health and elderly care, and (3) education and philanthropic research.³⁶ These three focus areas guided the Indianapolis Foundation's grant-making activities throughout its first two decades of operation.

³⁴ The terms "Indianapolis Foundation" and "Foundation" will be used interchangeably to describe the same entity throughout the paper.

³⁵ "Resolution Establishing the Indianapolis Foundation," Indianapolis Foundation, "MSS49 Board of Trustees Minutes" Box 1, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

³⁶ Based on observations of the Indianapolis Foundation's funding patterns for its first fifteen years of operation, it appears that "educational and philanthropic research" referred to the Indianapolis Foundation's funding of community needs surveys and studies. Such studies were used by the board of trustees to decide where it should apply the foundation's assets.

The American Bankers Association characterized the first seven years of the community trust movement as “being mainly a time of organization and incubation.”³⁷ The Indianapolis Foundation was an embodiment of this statement. During the first five years of its existence, the Foundation provided no grants. This inaction was understandable seeing as the Foundation had received no donations or bequests. This situation changed in late 1921 when local businessman Alphonso P. Pettis designated a sizable portion of his will to the Foundation in a trust (from which interest could be derived for grant-making purposes).³⁸ By July 8, 1922, the Pettis trust had yielded roughly \$12,000 in expendable income.³⁹ This availability of income presented the foundation’s board with its first opportunity to consider how it should disburse such funds. The board decided to spend a portion of the revenue on conducting a study of the Indianapolis community to determine what needs should be addressed by the Foundation (fitting with the Cleveland model).⁴⁰ A few weeks later on July 21, 1922, the estate of another area businessman, John E. Roberts, provided a \$375,000 bequest to the Foundation.⁴¹ Consequently, by the end of 1922, the Indianapolis Foundation had sizable

³⁷ American Bankers Associations, *Community trusts in the United States and Canada; a survey of existing trusts, with suggestions for organizing and developing new foundations*, (New York, NY: Trust Company Division, American Bankers Association, 1931), 7.

³⁸ “Board of Trustees, December 8, 1921 Minutes,” Indianapolis Foundation, “MSS49 Board of Trustees Minutes” Box 1, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

³⁹ “Board of Trustees, July 8, 1922 Minutes,” Ibid.

⁴⁰ At the beginning of its operation, the Cleveland Foundation sponsored numerous surveys to study the needs of the Cleveland metropolitan area. Writers have argued that these surveys were used to lend credibility to the foundation’s giving decisions. It has been suggested by scholars like Hammack that the survey itself was also an agent of change, causing the local population to think about particular issues and problems that might have gone unnoticed by the majority of the community without the survey. See David C. Hammack (ed.), *Making the Nonprofit Sector in the United States*, (Bloomington, IN: Indiana University Press, 1998), 334.

⁴¹ “Board of Trustees, July 21, 1922 Minutes,” Indianapolis Foundation, “MSS49 Board of Trustees Minutes” Box 1, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

asset holdings on hand from the Pettis and Roberts trusts. It would use 1923 to prepare itself for larger scale grant activities by hiring a full-time executive director.

The Foundation's board of trustees decided to search for an executive director at its June 22, 1923 meeting. The board had been informed at the same meeting that the Delavan Smith trust had cleared a number of legal proceedings and would be added to the foundation's asset holdings.⁴² With the addition of the Smith trust, the Foundation's principal assets stood at well over a million dollars. This increase in operating principal, and the corresponding increase in available grant funds, generated additional community requests on the foundation's resources. The need to properly investigate and respond to these requests served as the primary impetus behind the board seeking an executive director. It found this director in Eugene C. Foster who had served as the head of a welfare organization in Cleveland. Foster was approved by the trustees at their December 11, 1923 meeting, and he assumed the position in January, 1924.⁴³ This year served as the first full grant-making year for the Indianapolis Foundation.

The Indianapolis Foundation's Pre-Depression Disbursements

The Indianapolis Foundation made its first disbursements with a series of studies to ascertain the needs of the Indianapolis community. Its first programmatic grant came in 1924 with a grant to the Public Health Nursing Association to support the salary of a nurse for crippled children. In 1925, the foundation expanded its funding recipients to include support for the newly developed Indianapolis Employment Bureau, transportation

⁴² "Board of Trustees, June 22, 1923 Minutes," Indianapolis Foundation, "MSS49 Board of Trustees Minutes" Box 1, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

⁴³ "Board of Trustees, December 11, 1923 Minutes," Ibid.

support for crippled children, and college scholarships (made possible through the Pettis trust).

The Indianapolis Employment Bureau, created with foundation funding in 1924 and 1925, provides an example of the Indianapolis Foundation's penchant for developing programs to fill niches within the Indianapolis community. The bureau grew out of requests from five Indianapolis welfare agencies in 1923 for an employment matching and development resource in the city of Indianapolis. Prior to the creation of the Indianapolis Employment Bureau, no similar organization was operational in the Indianapolis community. Indianapolis Foundation funding supported the salary of the bureau's director, George Gill. The bureau itself served as a clearing house of employment information for the city of Indianapolis. It conducted numerous studies to gauge the extent and causes of Indianapolis' unemployment issues and also served as a matching agency through which the unemployed to find work. The bureau was supported entirely through Foundation funds for its lifetime.⁴⁴

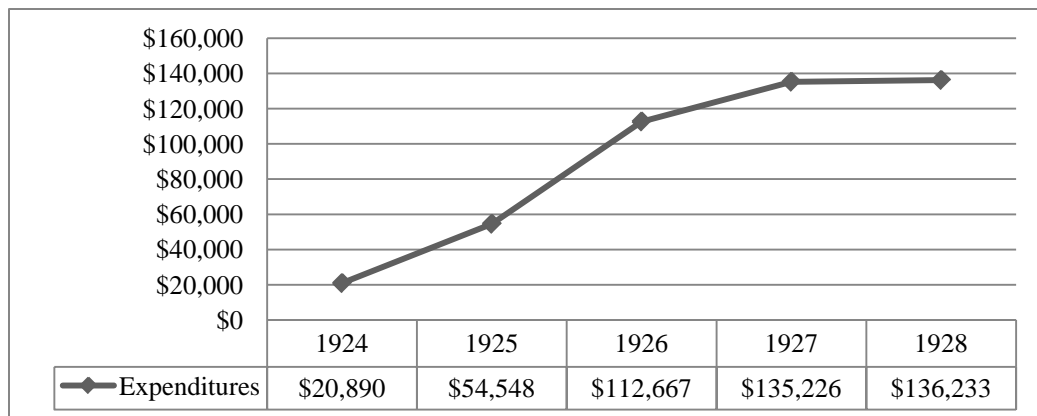
In 1927, the Indianapolis Foundation further expanded its funding areas to include the construction of the Delavan Smith athletic field (paid for by funds from the Smith trust). The field itself was a \$100,000 project that took 4 years to complete. The foundation also expanded its healthcare funding in 1927 to include support for prenatal and orthodontia clinics; an appliance fund for medical and welfare organizations; funding

⁴⁴ "Board of Trustees, May 23, 1930 Minutes," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1930 (1)," Box 3, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

for two public health surveys; and full support for the salaries of three public nurses (for crippled children, invalids, and the chronically ill).⁴⁵

The Indianapolis Foundation's expenditures increased six-fold between 1924 and 1928, moving from \$20,899.90 to \$136,233.37 (see Figure 1 below for more detail). Considering these numbers, the Indianapolis Foundation, by itself, accounted for almost 15 percent of all community foundation disbursements in the United States in 1928. By the end of the 1920s, the Indianapolis Foundation had established itself as one of the largest and most active community foundations in the United States, only surpassed at times by cities like Cleveland, Chicago, and New York. However, despite its variety of supported activities and large asset base, the foundation would have difficulty carrying its 1920s successes forward through the Great Depression.

Figure 1: Indianapolis Foundation Expenditures, 1924 to 1928



Source: Data for the graph was pulled from the yearly financial summaries in the Indianapolis Foundation's Board of Trustees minutes (pulled for the corresponding years in the graph). Data can be found in Boxes 1-2 of Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.⁴⁶

⁴⁵ "Board of Trustees, December 11, 1923 Minutes," Indianapolis Foundation, "MSS49 Board of Trustees Minutes" Box 1, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

⁴⁶ Equivalent expenditure values in 2009 dollars would be: \$262,086.43 (1924), \$668,717.96 (1925), \$1,365,606.79 (1926), \$1,667,297.72 (1927), \$1,709,182.40 (1928). Inflation rates were calculated using the U.S. Bureau of Labor Statistics' online CPI Inflation Calculator (<http://data.bls.gov/cgi-bin/cpicalc.pl>).

The Size and Scope of Private Philanthropy in Pre-Depression America

The first three decades of the twentieth century saw great growth and modernization within American philanthropic agencies. The concept of the community chest was codified and implemented in most American cities. The first major private foundations, the Rockefeller Foundation and the Carnegie Corporation being two examples, began their existence in the century's second decade.⁴⁷ The field of social work, which was predominantly supported by private funding, became extensively professionalized. Generally, philanthropic giving increased through the first three decades of the century and reached its peaks in 1928 and 1929 before dramatically declining during the Depression.

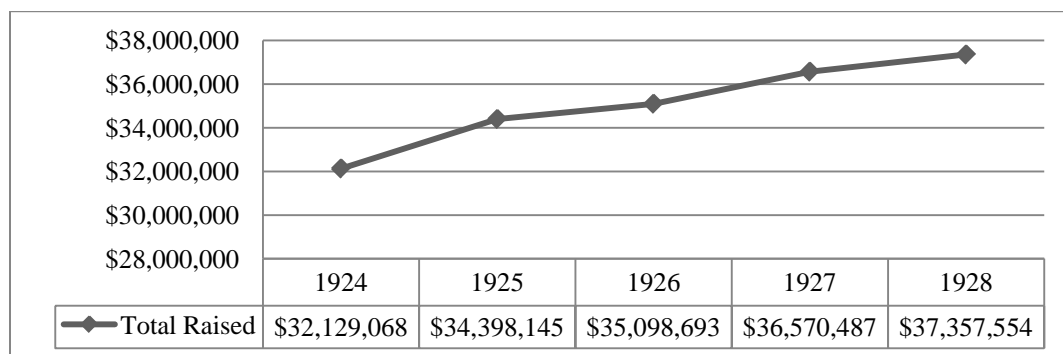
An individual who wished to give a charitable gift in the 1920s had a number of different vehicles available to him or her; each more or less appropriate depending upon that person's level of wealth. The "common man" had two primary options available. This person could give his or her gift directly to a particular agency or institution, or he or she could give via a community chest. The community chest giving vehicle was significantly different than a community foundation. Community chests most closely resembled today's United Way while a Depression-era community foundation mirrored what would be seen as a private foundation today. Like today's United Way, a community chest would operate a yearly funding drive to raise money for an entire group of private agencies and causes within the community. While the community chest collected donations from wealthy individuals and institutional givers, like community foundations, it was also very accessible to significantly less-wealthy givers as well.

⁴⁷ The Carnegie Corporation began operation in 1911 and the Rockefeller Foundation began operation in 1913.

Community chests raised money yearly and did not maintain trust funds to generate investment income. Conversely, community foundations relied almost exclusively off of investment income from their trusts.

Community chest numbers and fundraising figures dramatically rose during the 1920s. From 1919 to 1931, the number of U.S. community chests expanded from 12 to 363 with their yearly disbursements increasing from \$14 million to \$75 million.⁴⁸ Between 1924 and 1929, the 29 largest community chests in the United States raised a combined total of \$175 million (an average of over \$35 million a year).⁴⁹

Figure 2: Giving to the Largest 29 Community Chests in the United States, 1924-1928



Source: John Price Jones (ed.), *The Yearbook of Philanthropy: 1945-46*, (New York, NY: The Inter-River Press, 1946), 71.

The moderately wealthy could give through the means listed above or they could create either a private foundation or contribute to a community foundation. As noted earlier, community foundations often became depositories for donations from such individuals (even those who could have just as easily created a large private foundation). As result of these donations, community foundation asset holdings grew extensively between 1920 and 1930. The most notable private foundations, on the other hand, were

⁴⁸ James Leiby, *A History of Social Welfare and Social Work in the United States*, (New York, NY: Columbia University Press, 1978), 173.

⁴⁹ John Price Jones (ed.), *The Yearbook of Philanthropy: 1945-46*, (New York, NY: The Inter-River Press, 1946), 71.

created by some of the wealthiest men and families in the United States: Russell Sage, John D. Rockefeller, and Andrew Carnegie. This giving vehicle also experienced rapid growth during the preceding decades before the Great Depression. For example, one source notes that the number of private foundations in the United States more than tripled between 1920 and 1931; growing from 102 to 350 foundations.⁵⁰ Private foundation grant disbursements rose through the decade as well: moving from a reported total of \$42.5 million in 1922 to \$83.7 million in 1928 (the final full year before the Depression).⁵¹

Elements of the private social service delivery system went through professionalization in the 1920s: most notably the field of social work. Between 1915 and 1930, the number of professional social work schools and training programs grew from 5 to 45. Private foundations like the Carnegie Corporation, Rockefeller Foundation, and Russell Sage Foundation helped fund this professionalization in social work and public administration by sponsoring studies and creating research institutes.⁵² One of the products of this foundation funding was the modern social work practice of “casework,” which was developed through a partnership between social worker Mary Richmond and the Russell Sage Foundation.⁵³

In 1928, the last full year before the Depression, Americans contributed over \$770 million in total philanthropic giving.⁵⁴ Of this total, \$532.8 million came from individual

⁵⁰ James Leiby, *A History of Social Welfare and Social Work in the United States*, (New York, NY: Columbia University Press, 1978), 170.

⁵¹ John Price Jones (ed.), *The Yearbook of Philanthropy: 1945-46*, (New York, NY: The Inter-River Press, 1946), 3.

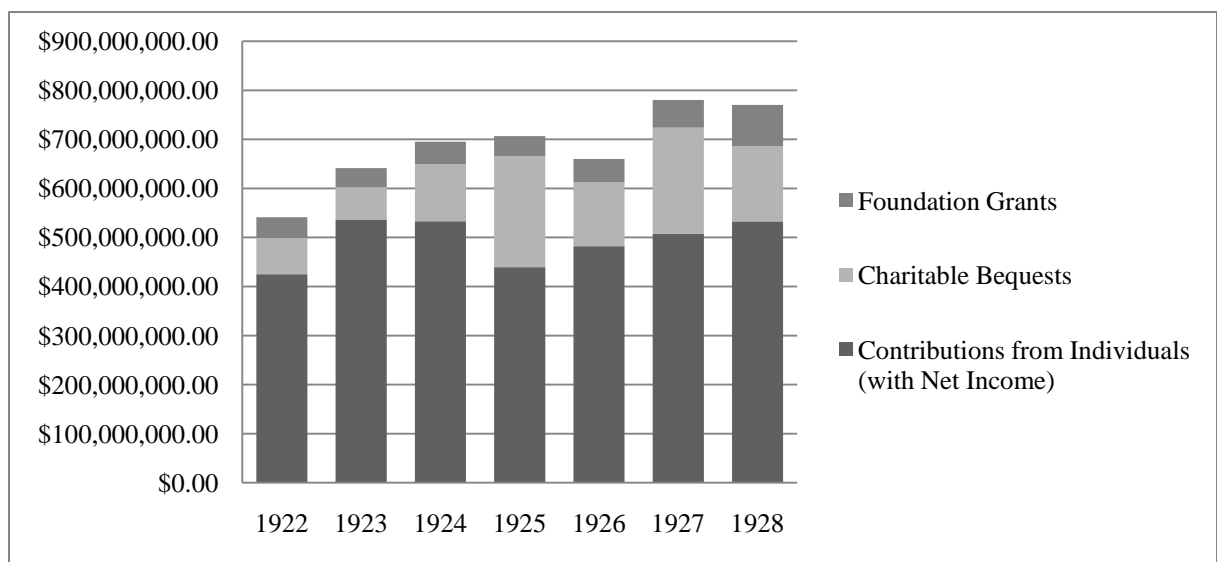
⁵² James Leiby, *A History of Social Welfare and Social Work in the United States*, (New York, NY: Columbia University Press, 1978), 175.

⁵³ *Ibid.*, 123.

⁵⁴ The Yearbook’s giving data is derived from IRS tax returns. As a result, these numbers do not reflect all possible philanthropic giving for 1928. John Price Jones (ed.), *The Yearbook of Philanthropy: 1945-46*, (New York, NY: The Inter-River Press, 1946), 3.

givers; \$153.6 million from bequests; and \$83.7 million from private foundations. In 1928, community foundations contributed a combined total of \$700,000 in grants, made from a combined asset pool of \$24 million. This figure is included in the private foundation and bequests giving figures. The largest 29 American community chests disbursed over \$37.3 million in 1928 (a number included in the individual giving statistics).

Figure 3: Philanthropic Giving in the United States, 1922-1928

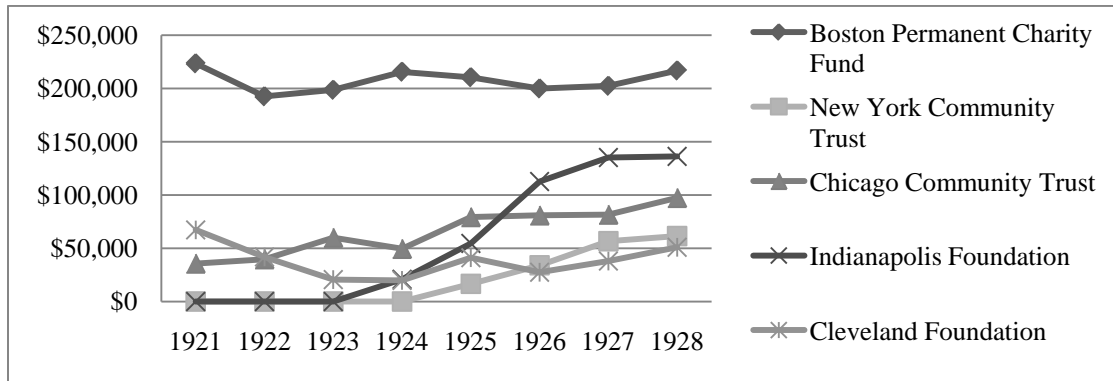


Source: John Price Jones (ed.), *The Yearbook of Philanthropy: 1945-46*, (New York, NY: The Inter-River Press, 1946), 3.

In the grand scheme of all philanthropic giving, community foundations maintained a very small footprint in comparison to other sources of philanthropic revenue. Community foundations accounted for a small percentage of the overall philanthropic giving in the cities where they were active. On a national level, community foundation giving accounted for less than a percent of all private foundation

disbursements in 1928.⁵⁵ Community foundations were fairly new by the start of the Depression. Many had been disbursing funds for only a few years prior to 1929. Consequently, many foundations had not yet carved out a niche for themselves as funders in community welfare work. While some community foundations developed “pet projects,” like the Indianapolis Employment Bureau under the Indianapolis Foundation, these project relationships varied by city. Some foundations developed their own programs and others simply supported pre-existing programs. Community foundations’ national impact was also limited by the number of active organizations in the United States. In 1928, only two community foundations disbursed more than \$100,000 in grants. Between 1929 and 1930, this number of large grant-making community foundations did not rise above four.⁵⁶

Figure 4: Disbursement Levels of the Five Largest U.S. Community Foundations, 1921-1928



Source: American Bankers Associations, *Community trusts in the United States and Canada; a survey of existing trusts, with suggestions for organizing and developing new foundations*, (New York, NY: Trust Company Division, American Bankers Association, 1931), 30.

⁵⁵ Figure of less than one percent is calculated by dividing the \$700,000 estimate of community foundation disbursements by the \$83 million in private foundation disbursements (reported in the giving yearbook). American Bankers Associations, *Community trusts in the United States and Canada; a survey of existing trusts, with suggestions for organizing and developing new foundations*, (New York, NY: Trust Company Division, American Bankers Association, 1931), 31; John Price Jones (ed.), *The Yearbook of Philanthropy: 1945-46*, (New York, NY: The Inter-River Press, 1946), 3.

⁵⁶ American Bankers Associations, *Community trusts in the United States and Canada; a survey of existing trusts, with suggestions for organizing and developing new foundations*, (New York, NY: Trust Company Division, American Bankers Association, 1931), 30.

Philanthropic giving went to fund an entire gamut of social service activities. Community chest funds went to support settlement houses, poor relief agencies, arts organizations, and educational institutions. In the case of the Indianapolis Community Fund, a great number of diverse organizations fell under its wing: ranging from character-building agencies like the YMCA to relief agencies like the Salvation Army and the Wheeler Mission.⁵⁷

Community foundations addressed a wide range of needs themselves. The ABA's 1931 survey found the nine largest community foundations in the United States and Canada gave grants to provide scholarships for students; direct support to educational/academic institutions; gifts to hospitals and retirement homes; subsidy for employment programs; gifts to religious organizations; funding to research community social issues; and support for many other causes.⁵⁸ The Indianapolis Foundation was typical of national community foundation funding trends through its own provision of scholarships; funding for the Indianapolis Employment Bureau; and support for nurses' salaries.

Comparing Today's Nonprofit Sector with Pre-Depression Philanthropic Institutions

The private, philanthropic provision of social services and relief in the 1920s was far different than what would be termed as the "nonprofit sector" today. Much of the nation's social services were privately funded and carried out by private, charitable

⁵⁷ Bradford Sample, "To Do Some Small Good: Philanthropy in Indianapolis, 1929-1933," (M.A. Thesis, Indiana University, 1998), 75.

⁵⁸ American Bankers Association, *Community trusts in the United States and Canada; a survey of existing trusts, with suggestions for organizing and developing new foundations*, (New York, NY: Trust Company Division, American Bankers Association, 1931), 24-26.

organizations. In the field of social work, the term “public welfare” was frowned upon.⁵⁹ Social workers trained in schools funded by philanthropic dollars and worked in programs and organizations that were supported by similar funding sources. The federal government’s presence in social service delivery was almost non-existent and any government involvement was left to state and local governmental agencies. However, such state and local government involvement was miniscule in and of itself. For example, religious charitable expenditures in 1926 alone exceeded similar state and local efforts by \$90 million nationally.⁶⁰ The entire concept of government grants and contracts for social service delivery was nonexistent, and many viewed the activity of social service delivery itself as being under the purview of private charity.⁶¹

Such a predominantly private social service delivery apparatus is foreign to today’s student of the nonprofit sector. The contemporary sector is a mixture of public and private funding consisting of government contracts and grants coupled with private, charitable giving. Nonprofit organizations today must act in partnership with governmental programs to provide a variety of social services to the U.S. citizenry. Much of this sector did not develop until after Lyndon Johnson’s extensive Great Society programs in the late 1960s. However, its seeds were laid in Franklin Delano Roosevelt’s (FDR) efforts to combat the Depression.

It is important to recognize this difference in how social service delivery was executed pre- and post-Depression to understand what affect the Depression had on

⁵⁹ James Leiby, *A History of Social Welfare and Social Work in the United States*, (New York, NY: Columbia University Press, 1978), 179.

⁶⁰ Jonathan Gruber & Daniel M. Hungerman, “Faithbased charity and crowd-out during the great depression,” *Journal of Public Economics* 91 (2007): 1044.

⁶¹ John R. Seeley et al., *Community Chest: A Case Study in Philanthropy*, (New Brunswick, NJ: Transaction Publishers, 1957), 22.

private agencies and private philanthropic funding. Identifying this difference is also critical in understanding the reasoning behind Herbert Hoover and FDR's different responses to the Depression and their differing views on the role of private relief agencies.

The Roaring Twenties: Poor Preparation for the Great Depression

During the 1920s, the number of private agencies expanded exponentially (community chests, community foundations, private foundations, etc...). Social workers saw the professionalization of their field, and philanthropic giving levels rose steadily. While the 1920s were certainly positive for philanthropic organizations, this decade did not adequately prepare them for the trials that would lay ahead in the 1930s. Private agencies faced few economic challenges during the 1920s. The Great Depression would be the first real test for many of these new philanthropic institutions. It presented challenges that these young agencies had never had to contend with before; chief among these challenges being an increased need for charitable services.

Community foundations developed in this period of growth and professionalization. Like other institutional givers, they were young organizations with the first community foundation formed no more than fifteen years before the Depression. In addition, the largest foundations had been active in their grant-making activities for less than seven years prior to 1929. The Great Depression would prove to be the first real test of survival that these organizations had ever faced. However, unlike some philanthropic actors of the time, community foundations had several unique characteristics which would aid them in weathering some of the Depression's challenges.

CHAPTER THREE

THE ONSET OF THE GREAT DEPRESSION AND THE INITIAL PRIVATE AGENCY RESPONSE

Introduction

The decade of the 1920s left private agencies ill-prepared for the economic challenges presented by the Great Depression. The Depression destroyed billions of dollars in wealth and put nearly a quarter of the employees in the United States out of work within three years of the stock market crash in October, 1929. Unlike many previous recessions, the Great Depression affected working groups within the United States that had been previously resilient to the effects of economic downturns. Typically “recession-proof” professions, such as skilled laborers, office workers, and professional trades, made up a significant portion of the unemployed. Extremely high unemployment numbers and greatly diminished community and national wealth presented a two-fold challenge to private response efforts: (1) a decrease in the availability of philanthropic resources to combat the Depression, and (2) an increase in the demand for these resources.

National leaders placed considerable emphasis on the private relief efforts. With bankrupted local governments and cash-strapped state agencies unable to respond to the crisis, communities relied heavily on private agencies to provide food, clothing, and employment assistance to the millions of unemployed. This predominantly private response, driven in part out of the lack resources at the local and state governments, was further encouraged at the national level by President Herbert Hoover. American political

leaders, like Hoover and his 1928 presidential opponent, Al Smith, barnstormed the country on behalf of community chests and private agencies, encouraging Americans to give generously to assist their local communities. Yet, this dependency on private philanthropy to address the Depression stretched private relief's resources to the breaking point. To be sure, philanthropic agencies were successful in rallying supporters and resources to respond to the Depression, and, in the crisis' first three years, private giving through community funders, like community chests, did increase. However, demand for philanthropic resources quickly outstripped the supply, and, by 1932, philanthropic leaders were approaching the federal government asking for its intervention.

Onset and Economic Effects of the Depression

The stock market crash of October 29, 1929 (Black Tuesday) is regarded as the official beginning of the Great Depression.⁶² However, the most drastic effects of the Depression were not felt until late 1930. Indeed, many politicians and local authorities felt that recovery would arrive within a year after the 1929 crash. For example, in a March 7, 1930 press conference, Herbert Hoover told reporters that the “unemployment amounting to distress” was limited to only 12 states specifically in the United States. He went on to declare that the unemployment within these states was less than half the rate seen in similar time periods after stock market crashes in 1907 and 1922.⁶³ Hoover concluded his comments by reassuring his listeners that “All the facts indicate that the

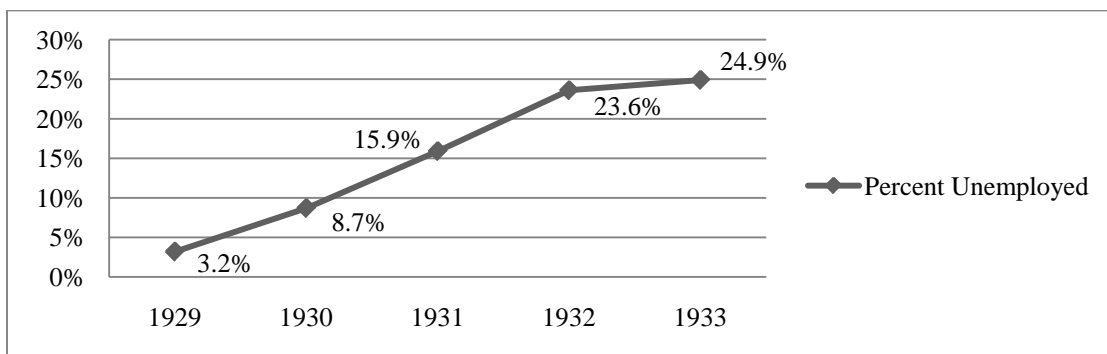
⁶² Economists and historians have written numerous works detailing the story behind the stock market crash of 1929 and the resulting Great Depression. This thesis will not explore these facts in any detail beyond what these texts have already outlined. Rather, it is primarily concerned with the effects of the Great Depression and how those effects mandated a response on the part of philanthropic entities.

⁶³ U.S. President, *Public Papers of the Presidents of the United States*, (Washington, D.C.: U.S. Government Printing Office, 1976), Herbert Hoover, 1930, 76.

worst effects of the crash on employment will have been passed during the next 30 to 60 days.”⁶⁴ Such reassurances continued throughout 1930.⁶⁵ It was not until 1931 and 1932, as national and local unemployment rates continued rise and production values continued to fall, that community and policy leaders accepted that the situation was far worse.

By the end of 1932, the Depression had decimated asset values in the United States and put almost a quarter of the nation’s employees out of work. Between 1929 and 1932, stock values were cut by 75 percent. Industrial production in the United States fell collectively by 46 percent. Collective national income fell from \$81 billion to \$40 billion in three years. The nation’s manufacturing payrolls fell by 64 percent, and, by 1933, 13.1 million Americans were unemployed (up from 1.8 million in 1929).⁶⁶

Figure 5: National Unemployment Rate, 1929-1933



Source: U.S. Department of Labor, *Employment and Earnings*, Vol. 7, No. 1, (Washington D.C.: U.S. Government Printing Office, 1960), 1.

⁶⁴ U.S. President, *Public Papers of the Presidents of the United States*, (Washington, D.C.: U.S. Government Printing Office, 1976), Herbert Hoover, 1930, 76.

⁶⁵ Hoover’s public papers from 1930 are rife with examples of the president attempting to reassure the public in the aftermath of the 1929 crash. Six months after the crash had occurred, Hoover told the U.S. Chamber of Commerce in a May, 1930: “I am convinced we have now passed the worst and with continued unity of effort we shall rapidly recover.” *Ibid.*, 144.

⁶⁶ Dorothy C. Khan, *Unemployment and Its Treatment in the United States*. (New York, NY: American Association of Social Workers, 1937), 27.

Besides diminishing payrolls and production values, the Depression destroyed wealth holdings across the country. Between 1930 and 1933, nearly 10,000 banks closed (declining from a national total of over 24,000 banks in 1929).⁶⁷ Total bank-held assets fell from over \$74 billion in 1930 to \$51 billion in 1933.⁶⁸ Bank deposits declined by a similar margin: falling from a 1930 high of \$60.3 billion to \$41.6 billion in 1933.

The Failure of the State and Federal Government Response to the Depression

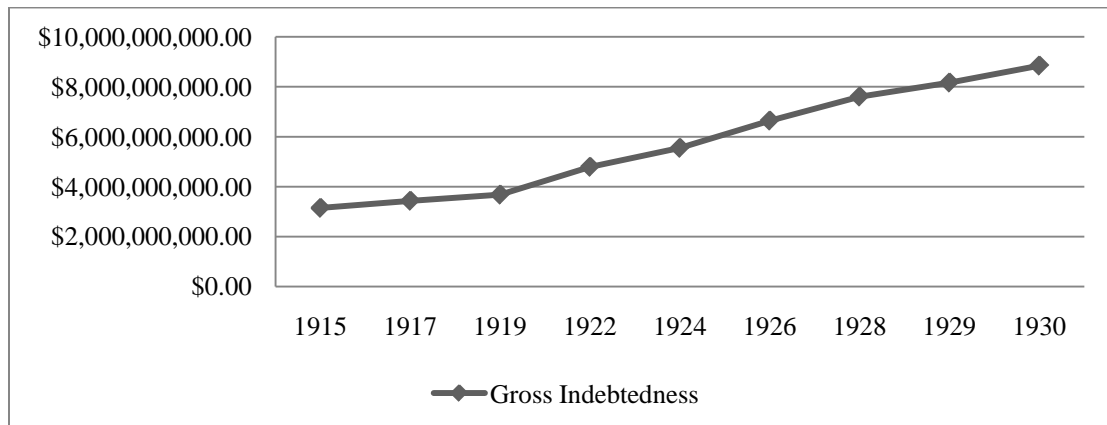
State and local governments entered the Depression in poor financial condition. During the 1920s, many local municipalities and governments had spent billions of dollars on business expansion projects. These expenditures created enormous debt loads on these municipalities which led to immediate defaults during the Depression's onset. In the first three years of the Depression, over 1,000 municipalities and local governments defaulted on their debts. City governments were similarly ill-prepared to react to the increased demand for services the Depression generated. Like municipalities, cities accumulated large amounts of debt during the 1920s. In a survey of America's 146 largest cities, the United States Bureau of the Census found that these cities had doubled their local debt holdings during the 1920s. In 1919, the per capita debt level in these 146 cities stood at \$117.51 per person. At the start of the Depression (1929), this per capita debt level had increased to \$213.14 a person.⁶⁹

⁶⁷ Board of Governors of the Federal Reserve System, *All Bank Statistics 1896 – 1955*, (Washington D.C.: U.S. Government Printing Office, 1959), 33.

⁶⁸ *Ibid.*, 30.

⁶⁹ The per capita debt level indicates that how much public debt each resident would be responsible for if the entire debt load of these 146 cities were to be divided out among all of those cities' residents. U.S. Bureau of the Census, *Financial Statistics of Cities Having a Population of Over 30,000: 1930*, (Washington, D.C.: U.S. Government Printing Office, 1932), 61.

Figure 6: Gross Indebtedness Among 146 Major U.S. Cities, 1915-1930



Source: U.S. Bureau of the Census, *Financial Statistics of Cities Having a Population of Over 30,000: 1930*, (Washington, D.C.: U.S. Government Printing Office, 1932), 61.

While Hoover heavily emphasized private response and business cooperation as the primary answer to the Depression, the federal government attempted, through increased spending on public works programs, to soften the blow of unemployment. By February, 1931, Hoover and Congress had authorized up to \$100 million in loans to agricultural public works programs to respond to the drought problems in the American West. In this same time frame, the federal government nearly tripled its yearly expenditures on public works (from \$275 million in 1928 to \$750 million a year by 1931).⁷⁰

Throughout 1930 and 1931, cities and states attempted to shore up their relief efforts, and were initially successful. Tax revenues initially supported this increase in expenditures. Revenue receipts in the largest American cities did not begin to collapse until 1932. Indeed, Census records indicate that tax receipts actually increased in these

⁷⁰ U.S. President, *Public Papers of the Presidents of the United States*, (Washington, D.C.: U.S. Government Printing Office, 1976), Herbert Hoover, 1931, 43-44.

cities for the first full two years of the Depression (1930 and 1931).⁷¹ Furthermore, these cities were also successful in doubling their total relief allocations between 1930 and 1931.⁷² However, these efforts were still not enough to compensate for the high unemployment levels. For example, New York was able to provide monetary support to only one quarter of its unemployed citizens. These payments amounted to less than \$2.97 a week for families.⁷³ Many major cities had to either turn to state governments for loans to maintain their meager relief payments or institute rationing. For example, by 1932, Detroit was making drastic cuts to its relief payments to stretch its reserves out while Chicago had to approach the Illinois state government for a \$20 million loan to keep its relief system solvent.⁷⁴

Hoover's Emphasis on Private Response

President Herbert Hoover's emphasis on private relief efforts was a prominent cause of the federal government's initial absence from the early Depression relief scene.⁷⁵ Hoover believed that private relief constituted the "American Way" to responding to the Depression. In a radio address delivered in February, 1931, Hoover said, "Victory over

⁷¹ Total tax revenues in all American cities with populations of 30,000 people or greater amounted to \$3,075,234,308.00 in 1929. These revenue levels grew to \$3,418,502,995.00 in 1930, and held steady at \$3,419,962,406.00 in 1931. Data derived from the 1929, 1930, and 1931 editions of the *Financial Statistics of Cities Having a Population of Over 30,000*.

⁷² "Charitable expenditures" in the cities with populations over 30,000 people amounted to \$56,100,746.00 in 1930. This expenditure level increased to \$106,503,323.00 in 1931. "Charitable expenditures" were broken down in to four categories: "Outdoor poor relief," "Poor institutions," "Care of children," and "Other charities." Data derived from 1930 and 1931 editions of *Financial Statistics of Cities Having a Population of Over 30,000*.

⁷³ Michael B. Katz, *In the Shadow of the Poorhouse: A Social History of Welfare in America*, (New York, NY: Basic Books, Inc., 1986), 213.

⁷⁴ Jeff Singleton, *The American Dole: Unemployment Relief and the Welfare State in the Great Depression*, (Westport, CT: Greenwood Press, 2000), 75.

⁷⁵ While Hoover supported additional public works funding, he was unwilling to increase outlays in the same manner as Roosevelt.

this depression and over our other difficulties will be won by the resolution of our people to fight their own battles in their own communities [...].”⁷⁶ Hoover regularly supported private fund drives through community chests and other relief agencies. He coupled this regular exhortation for Americans to give with efforts to prevent additional federal government involvement in relief efforts beyond simply increasing public works spending.

Hoover emphasized private relief over public relief efforts because he feared that extensive public welfare programs would lead to the destruction of American generosity and self-reliance. In a public statement on “Public vs. Private Financing of Relief Efforts,” issued on February 3, 1931, Hoover explained:

My own conviction is strongly that if we break down this sense of responsibility of individual generosity to individual and mutual self-help in the country in times of national difficulty and if we start appropriations of this character we have not only impaired something infinitely valuable in the life of the American people but have struck at the roots of self-government.⁷⁷

In a later address, delivered to the Gridiron Club on April 27, 1931, Hoover reaffirmed his belief that the government’s role was to encourage private charity and not intervene with public welfare programs:

It was our duty to constantly encourage the organization of the community to mitigate the destruction of the storm with the utmost minimum of legislative action. The unparalleled growth of cooperative sense in the American people over the last half century has proved its strength.⁷⁸

⁷⁶ Alfred B. Rollins Jr. (Ed.), *Depression, Recovery, and War: 1929-1945*, (New York, NY: McGraw Hill, Inc., 1966), 17.

⁷⁷ U.S. President, *Public Papers of the Presidents of the United States*, (Washington, D.C.: U.S. Government Printing Office, 1976), Herbert Hoover, 1931, 44.

⁷⁸ In Hoover’s views, his administration had done quite well in combating the Depression because the country had not devolved into social order. Hoover noted in the same speech: “I have recently read accounts by a careful historian of the depression of 1873. Three major characteristics stand out in that period – the general bankruptcy, the widespread social disorder, and the actual physical suffering of the people. Strikes, lockouts, and riots dominated the times; police forces were increased, the militia called out,

Hoover consistently encouraged Americans to give throughout his presidency and he relied on this approach as his primary solution to the Depression. In response to the increasing drought conditions in the American West, Hoover did not create a federal program to aid rural Americans. Rather, on January 18, 1931, he commissioned a volunteer committee of “leading citizens” to aid the Red Cross in raising \$10 million for relief efforts.⁷⁹ Hoover’s statement on the committee’s formation reiterated his emphasis on non-governmental relief support:

We are faced with a national emergency. Those in need in our larger cities are being and will be provided for through the generosity and self-reliance of the citizens of those communities. The people however in the drought-stricken areas in twenty-one states are not in a position adequately to help themselves and must look to their fellow citizens for temporary assistance.⁸⁰

Hoover’s work to encourage additional private philanthropy reached its climax in the President’s Organization for Unemployment Relief (POUR) program, created in August, 1931. POUR was not a federal government subsidy or grant program.⁸¹ Rather, it served as coordinating body to raise additional private money in support of city and state

and Federal troops mobilized. These were but surface indications of the violence and hatred which the period developed. That depression was accompanied by monetary panics, bank failures, receiverships for nearly half the railway systems, and unparalleled foreclosures on homes and farms. It was estimated at the time that half the industrial population was without income. Actual starvation occurred in practically every city. In contrast, we can say with satisfaction of this period of nearly 20 months of continuous economic degeneration that we have had fewer strikes and lockouts than in normal times; that we have had no mob violence worth noting to trouble the police or the militia; we have not summoned a single Federal soldier to arms. The first duty of the Government – that is, to secure social tranquility and to maintain confidence in our institutions – has been performed. That has been accomplished by the good will and cooperation in the community and not by either force or legislation.” In Hoover’s view, the government was in charge of keeping peace while the general public was responsible for taking care of itself. U.S. President, *Public Papers of the Presidents of the United States*, (Washington, D.C.: U.S. Government Printing Office, 1976), Herbert Hoover, 1931, 156.

⁷⁹ Ibid., 26.

⁸⁰ Ibid.

⁸¹ The program was created with a letter from Herbert Hoover to the organization’s head, Walter S. Gifford, dated August 17, 1931. Ibid., 294.

relief efforts.⁸² Under POUR's direction, cities carried out special fundraising campaigns (styled on community chest campaigns) to fund unemployment relief efforts. Funds raised in these drives were then combined with state and local government monies to provide a coordinated response to the relief needs of the community. The campaign officially launched with a radio address, delivered by Hoover on October 18, 1931. It would last for six weeks and finish on Thanksgiving Day (November 26, 1931).⁸³ In the address, Hoover urged Americans to give generously:

I appeal to the American people to make November 26 next the outstanding Thanksgiving Day in the history of the United States; that we may say on that day that America has again demonstrated her ideals; that we have each of us contributed our full part; that we in each of our communities have given full assurance against hunger and cold amongst our people; that upon this Thanksgiving Day we have removed the fear of the forthcoming winter from the hearts of all who are suffering and in distress – that we are our brother's keeper.⁸⁴

While POUR drives were very successful in some cities, they still failed to adequately provide for the needs of the large unemployed population. For example, in Chicago, the POUR campaign raised over \$10 million in the fall of 1931. This figure was over double the amount that private philanthropic activities had generated the year

⁸² Hoover's description of President's Organization for Unemployment Relief (POUR): "This organization [POUR], of which Mr. Walter S. Gifford is director, is comprised of leading men and women throughout every state in the Union and has served to establish and coordinate state and local volunteer effort in relief of distress throughout the nation. The organization has secured in a large way the cooperation of industry and labor, of the national social welfare organizations, and has assisted in mobilizing a large amount of voluntary funds and administering local resources to the best advantage. This organization is the only agency for national coordination and stimulation for the multitude of voluntary efforts and a clearing to these thousands of organizations with suggestions and methods for the alleviation of unemployment distress." U.S. President, *Public Papers of the Presidents of the United States*, (Washington, D.C.: U.S. Government Printing Office, 1976), Herbert Hoover, 1932, 215.

⁸³ U.S. President, *Public Papers of the Presidents of the United States*, (Washington, D.C.: U.S. Government Printing Office, 1976), Herbert Hoover, 1931, 360.

⁸⁴ *Ibid.*, 360-361.

before.⁸⁵ However, Chicago was still paying roughly \$3 million a month in relief payments alone: an amount which wiped out the POUR campaign donations in three months. By early 1932, insufficient funding forced Chicago to approach the Illinois state government for the aforementioned loan.⁸⁶ The POUR program was officially terminated on June 30, 1931 when Congress refused to appropriate additional funding to support the organization.⁸⁷

The Initial Philanthropic Response

Giving figures for the first four years of the Depression were mixed. From an individual giving perspective, numbers generally declined, according IRS receipts. At the community chest level, funds and disbursement levels increased.⁸⁸ Private foundation giving declined for the first four years of the Depression. However, community foundation giving generally increased. Across the nation, private relief agencies grappled with a double threat to their ability to provide services: the increasing demand for and decreasing supply of philanthropic resources.

Individual giving declined throughout the Depression according to statistics available from the IRS and reported via *The Yearbook of Philanthropy: 1945-46*. While 1929's individual giving numbers were only \$4 million lower than 1928's giving high of \$532.8 million, these numbers declined significantly to \$424 million in 1930, and fell

⁸⁵ Frank Denman Loomis, *The Chicago Community Trust: A History of Its Development 1915-62*, (Chicago, IL: The Chicago Community Trust, 1962), 19-20.; Jeff Singleton, *The American Dole: Unemployment Relief and the Welfare State in the Great Depression*, (Westport, CT: Greenwood Press, 2000), 75.

⁸⁶ Ibid.

⁸⁷ U.S. President, *Public Papers of the Presidents of the United States*, (Washington, D.C.: U.S. Government Printing Office, 1976), Herbert Hoover, 1932, 215.

⁸⁸ It would appear, in light of the fact that community chest funds rose while individual giving declined, that people gave less overall and funneled what gifts they could give into community chests (as community chest funds come from individual giving).

even further to \$328.2 million in 1931 and, again, to \$303 million in 1932.⁸⁹ Bequest giving statistics, also derived from IRS data, were mixed. Donation totals from bequests increased by \$70 million in 1929 over 1928's \$153 million total. These numbers remained high until 1932 after which giving amounts from bequests fell to \$96.2 million.⁹⁰

Like individual giving, support from private foundations declined during the first four years of the Depression. American private foundations disbursed over \$80 million in 1928. That combined number fell to \$65.8 million in 1929 and held steady at \$61.7 million in 1930. However, disbursements sharply declined in 1931 and 1932. By 1932, private foundations' giving totals had sunk to half of their 1928 levels.⁹¹ Individual large foundations offered mix responses to the first years of the Depression. For example, the Julius Rosenwald Fund and General Education Board increased their disbursements considerably between 1929 and 1931.⁹² Meanwhile, two of the largest private foundations in the United States, the Carnegie Corporation and the Rockefeller Foundation, slightly decreased their giving in 1930 before both increasing their disbursements in 1931.⁹³ By 1931, any increased funding to provide additional assistance for Depression relief on the part of private foundations had dried up.

⁸⁹ John Price Jones (ed.), *The Yearbook of Philanthropy: 1945-46*, (New York, NY: The Inter-River Press, 1946), 3.

⁹⁰ Bequests totaled \$219 million in 1930 and \$190.9 million in 1931. Ibid.

⁹¹ Private foundations disbursed 54.6 million in 1931 and \$46.2 million in 1932. All of the Yearbook numbers used for private foundations come from Internal Revenue Service reports for those years. Ibid.

⁹² The Julius Rosenwald Fund increased its giving from \$586,000 in 1929 to \$1.87 million in 1930 and increased it again to \$2.47 million in 1931. The General Education Board doubled its annual giving from 1929 to 1930, from \$14.8 million to \$30 million. John Price Jones (ed.), *The Yearbook of Philanthropy: 1945-46*, (New York, NY: The Inter-River Press, 1946), 74.

⁹³ The Carnegie Corporation's grantmaking total dropped from \$5.4 million in 1929 to \$4.4 million in 1930 before rising to \$5 million in 1931. Rockefeller Foundation: dropped its annual giving from \$21.4 million (1929) to \$18.1 million (1930) and then increasing it to \$20 million (1931). Such funding patterns do not indicate that the Carnegie and Rockefeller families were being stingy in the wake of the Depression.

Of all fundraising vehicles available to donors during the Depression, community chests were the primary institution used to attract and disburse philanthropic dollars. In the first two years of the Depression, community chest disbursements rose substantially. Between 1930 and 1932, community chest campaigns increased their annual fundraising receipts from just over \$75 million (1930) to a peak of \$100 million (1932).⁹⁴ A more narrowly defined study of the nation's twenty-nine largest community chests, detailed in *The Yearbook on Philanthropy*, reported a similar 25-30 percent increase in community chest fundraising takes between 1930 and 1932.⁹⁵ In three years, these twenty-nine community chests raised combined totals of \$38.4 million (1929-1930), \$42 million (1930-1931), and \$51.7 million (1931-1932). Americans gave 35 percent more to these 29 chests in 1932 than they had in 1930; a growth rate which outpaced the steady 3-5 percent growth rates of the 1920s.⁹⁶

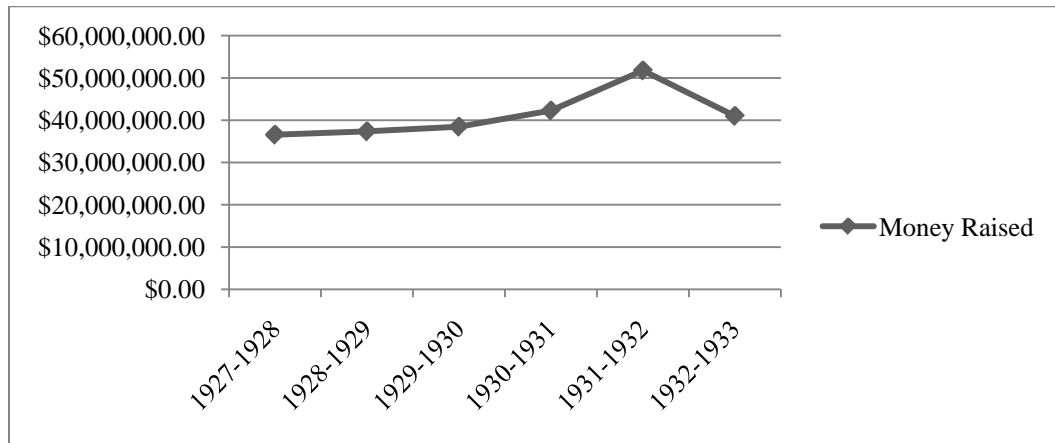
Indeed, the Rockefeller family was a major contributor to the General Education Board (which substantially increased its giving in 1930). What these numbers do indicate is that individual private foundations were not the disbursement methods favored by these individuals. Ibid.

⁹⁴ John R. Seeley et al., *Community Chest: A Case Study in Philanthropy*, (New Brunswick, NJ: Transaction Publishers, 1957), 440.

⁹⁵ The cities included in this data set were: "Baltimore, Buffalo, Cincinnati, Cleveland, Columbus, Dayton, Denver, Detroit, Hartford, Honolulu, Indianapolis, Kansas City, Los Angeles, Milwaukee, Minneapolis, Montreal, Newark, New Haven, Omaha, Philadelphia, Richmond, Rochester, St. Louis, St. Paul, San Francisco, Scranton, Seattle, and Toledo." To be included in the data set, a city's community chest needed to raise at least \$500,000 or more that year. John Price Jones (ed.), *The Yearbook of Philanthropy: 1945-46*, (New York, NY: The Inter-River Press, 1946), 71.

⁹⁶ Growth rate figures calculated from data from Table 23 *The Yearbook of Philanthropy: 1945-46*. John Price Jones (ed.), *The Yearbook of Philanthropy: 1945-46*, (New York, NY: The Inter-River Press, 1946), 71.

Figure 7: Funds Raised by 29 Largest Community Chests in the United States, Campaign Years 1927-1933



Source: John Price Jones (ed.), *The Yearbook of Philanthropy: 1945-46*, (New York, NY: The Inter-River Press, 1946), 71.

Many private relief agencies were directly affiliated with a local community chest. While community chests nationwide raised more money in 1931 and 1932 than they had in previous years, the increased fundraising activity was not strong enough to meet the rising need for relief generated by high unemployment rates. Large national agencies were similarly affected. In 1932, estimates held that nearly a sixth of the nation's population was on poor relief roles. In some areas, relief roles included nearly a third of the local population.⁹⁷ A sampling of relief organizations in 1932 reported to the Family Welfare Association of America (FWAA) and the Association of Community Chests and Councils (ACCC) that they had cut their relief grant amounts by as much as 40 percent while applications to these organizations had increased by a similar percentage.⁹⁸ These local agencies were responsible for providing a myriad of services ranging from employment placement to work-relief programs. One example, Catholic Charities in New York City, provided work-relief support to 205 individuals in the first

⁹⁷ Josephine C. Brown, *Public Relief: 1929-1939*, (New York, NY: Octagon Books, 1971), 120.

⁹⁸ *Ibid.*, 122.

six months of 1932. The organization placed another 931 applicants with jobs in other parts of the city. Yet, like private agencies across the United States, the numbers of the relief applicants dwarfed the number of actual aid recipients. In all, Catholic Charities in New York received requests for support from over 2,300 families in the first six months of 1932. Over 1,400 of those families were first-time applicants for aid. Meanwhile, the 931 successfully placed workers mentioned earlier came from a pool of 10,454 initial applicants.⁹⁹

National agencies participated in relief efforts as well. The American Red Cross played a prominent role in Hoover's call for voluntary aid. In the fall of 1929, the Red Cross allocated over \$5 million to combating the poverty resulting from drought conditions in the West.¹⁰⁰ Hoover regularly made public appeals throughout 1931, asking Americans to give support to the Red Cross' relief efforts.¹⁰¹ Congress further bolstered these efforts by appropriating loan funds for the Red Cross drought-relief program. According to Hoover in his 1931 State of the Union address, the Red Cross' programs affected 2.5 million individuals.¹⁰² Democratic presidential candidate (1928) Al Smith joined Hoover's fundraising efforts in 1932. Smith lauded the work of the Red Cross nationally for its ability to support rural communities that lacked the philanthropic infrastructure of America's large cities. According to Smith, two thirds of the Red Cross' chapters were the sole provider of relief services in the communities in which they

⁹⁹ "Catholic Charity Reports on Relief," *The New York Times*, July 25, 1932, 17.

¹⁰⁰ U.S. President, *Public Papers of the Presidents of the United States*, (Washington, D.C.: U.S. Government Printing Office, 1976), Herbert Hoover, 1931, 15.

¹⁰¹ See January 13, 1931, January 22, 1931, and April 13, 1931 addresses. *Ibid.*, 17, 19, and 133.

¹⁰² State of the Union addresses used to be delivered at the end of the year. This address, delivered by Hoover, occurred on December 8, 1932. *Ibid.*, 430.

served. Nationally, the Red Cross was responsible for providing food and clothing to 25 million relief cases.¹⁰³

The largest community foundations in the United States responded to the Depression by increasing their annual giving. The Chicago Community Trust increased its yearly giving from \$93,000 in 1929 to \$118,000 in 1930. It further increased its giving levels in 1931 by raising its disbursements to \$135,000. The Cleveland Foundation also raised its giving levels between 1929 and 1931 by quadrupling its yearly expenditures from \$61,000 (1929) to \$247,000 (1931). The New York Community Trust tripled its expenditures during the same time period (moving from \$61,000 in 1928 to \$197,000 in 1932).

A survey of leading community foundations in 1930 (conducted by the American Bankers Association) showed that these institutions funded a broad range of focus areas. While community chests actively shifted their funding focuses to relief efforts, community foundations maintained many of their pre-Depression programs. For example, community foundations in Boston, Chicago, Cleveland, and Buffalo maintained their pre-Depression scholarship, health, and education programs in addition to their relief spending.¹⁰⁴ This is not to say community foundations did not focus on relief. The abovementioned increase in community foundation giving sometimes manifested itself in increased giving to the various community chests in each of the corresponding cities.¹⁰⁵

The Boston Permanent Charity Fund allocated \$121,850 of its \$218,501 in 1930 spending

¹⁰³ "Smith Calls Nation to Aid Red Cross," *The New York Times*, Nov. 16, 1932, 2.

¹⁰⁴ American Bankers Associations, *Community trusts in the United States and Canada; a survey of existing trusts, with suggestions for organizing and developing new foundations*, (New York, NY: Trust Company Division, American Bankers Association, 1931), 24-25.

¹⁰⁵ This observation is born out in the examples of the Chicago Community Trust and Indianapolis Foundation. The example of the Indianapolis Foundation will be covered in greater in the third chapter of this thesis.

to social welfare and relief efforts. The Chicago Community Trust allocated over \$20,000 to the local community chest and relief services out of its \$99,770 in regular distributions (1930). Relief agencies like the Salvation Army and the Association for Improving the Condition of the Poor received over \$65,000 in funds from the New York Community Trust in 1930.¹⁰⁶

Literature on community foundations and Depression-era philanthropy also indicate that community foundation boards and staff played key roles in facilitating local relief efforts. Frank Loomis, executive director of the Chicago Community Trust, noted that the community foundation contributed significant amounts of staff time in an effort to “[build] and [extend] a strong community service” during the Depression.¹⁰⁷ The Chicago Community Trust’s trustee executive council members also played a role in mobilizing relief. Edward Ryerson, the 1931 vice chairman of the Trust’s executive committee, served as the chairman of the budget committee for Cook County relief activities. Trust staff aided Ryerson’s chairmanship by lending technical assistance. Ryerson went on to chair the Illinois Public Aid Commission in 1932, and led additional Chicago-based voluntary funding drives in 1932 and 1933.¹⁰⁸ The Indianapolis Foundation’s board of trustees mirrored the activities of the Chicago Community Trust’s executive council in that many of the Foundation’s trustees were involved personally with numerous Indianapolis private agencies. Such examples indicate that the reach of the community foundation response to the Great Depression was not necessarily limited

¹⁰⁶ American Bankers Associations, *Community trusts in the United States and Canada; a survey of existing trusts, with suggestions for organizing and developing new foundations*, (New York, NY: Trust Company Division, American Bankers Association, 1931), 24.

¹⁰⁷ Frank Denman Loomis, *The Chicago Community Trust: A History of Its Development 1915-62*, (Chicago, IL: The Chicago Community Trust, 1962), 22.

¹⁰⁸ *Ibid.*, 20.

to grant disbursements. Foundation staff and board members lent additional leadership and technical support to community relief efforts beyond direct financial assistance.

The Depression's Effects and the Philanthropic Response in Indianapolis

The Depression affected Indianapolis like every other city in the United States. Within three years of the Depression's start, the city faced widespread unemployment resulting from manufacturing payroll reductions. In 1930, 364,000 people lived in Indianapolis.¹⁰⁹ Over 50,000 of those residents worked in city's burgeoning manufacturing sector before the Depression began. By 1933, the city had lost 20,000 (or 40 percent) of its manufacturing jobs. General unemployment hovered between 20 and 22 percent during 1931 (up from 1.8 percent in 1929).¹¹⁰ By 1933, 10,000 Marion County families were on poor relief.¹¹¹ Indiana historians noted that the outward signs of the Great Depression were present across the city: "breadlines, apple vendors, and homeless men sleeping on benches in Union Station."¹¹²

As in other parts of the country, rapid unemployment quickly strained Indianapolis' private philanthropic resources. The Indianapolis Community Fund, the city's community chest, allocated \$104,000 to relief efforts in 1930. Within the first six months of the year, the chest's affiliated relief agencies had exhausted the allocation.¹¹³ Local relief agencies, like Wheeler Mission, the Family Welfare Society, and the

¹⁰⁹ U.S. Bureau of the Census, *Financial Statistics of Cities Having a Population of Over 30,000: 1930*, (Washington, D.C.: U.S. Government Printing Office, 1932), 90.

¹¹⁰ Bradford Sample, "To Do Some Small Good: Philanthropy in Indianapolis, 1929-1933," (M.A. Thesis, Indiana University, 1998), 70.

¹¹¹ Robert M. Taylor Jr. (Ed.), *Indiana: A New Historical Guide*, (Indianapolis, IN: Indiana Historical Society, 1989), 385.

¹¹² *Ibid.*, 386.

¹¹³ Bradford Sample, "To Do Some Small Good: Philanthropy in Indianapolis, 1929-1933," (M.A. Thesis, Indiana University, 1998), 76.

Catholic Community Center received increases in their community chest allocation levels of 25 percent or more.¹¹⁴ However, these same agencies saw astronomical increases in the demand for their services. Wheeler Mission, a homeless shelter and soup kitchen in downtown Indianapolis, saw a 300 percent increase in the demand for its services in 1930.¹¹⁵ The Family Welfare Society's number of case loads doubled between 1929 and 1930.¹¹⁶

The Indianapolis Community Fund answered the Depression by realigning its giving emphasis towards relief programs over "character-building" programming.¹¹⁷ As noted earlier, the Community Fund increased its funding to relief agencies while it froze its yearly allocations to non-relief programs. By 1932, over 80 percent of the Community Fund's financial support went to relief programs.¹¹⁸ Following the national trend, the Indianapolis Community Fund set fundraising records in 1931 and 1932. The Fund raised over \$800,000 in 1929. This yearly fundraising amount increased to over \$1,000,000 in 1932, after which the chest's yearly fundraising levels decreased by 25 percent in 2 years.¹¹⁹

1929-1932: The Private Response to the Depression

It took nearly a year for the effects of the Great Depression to fully manifest after the stock market crash in late October, 1929. When it had become evident that the

¹¹⁴ Bradford Sample, "To Do Some Small Good: Philanthropy in Indianapolis, 1929-1933," (M.A. Thesis, Indiana University, 1998), 75.

¹¹⁵ Ibid., 76.

¹¹⁶ Ibid., 87.

¹¹⁷ An example of a "character-building" organization is the YMCA.

¹¹⁸ John R. Seeley et al., *Community Chest: A Case Study in Philanthropy*, (New Brunswick, NJ: Transaction Publishers, 1957), 94.

¹¹⁹ Ibid., 448.

Depression was a significantly worse economic downturn than previous recessions, President Herbert Hoover placed the responsibility of providing relief squarely on the shoulders of local cities and private relief agencies. To Hoover, private philanthropy was the “American way” of dealing with the effects of the Depression. This philosophy coupled with the pre-existing weaknesses present in city and municipal finances set the stage for a predominantly private relief response.

Fundraising institutions across the United States increased their disbursement levels to answer this need. Community chests set fundraising records that would not be topped until the first years of the Second World War. The nation’s largest community foundations maintained or increased their giving for these years. Local private agencies serviced millions of cases nationwide; distributed hundreds of millions of dollars in meals, clothing, and aid payments to the unemployed; and attempted to place millions of applicants in jobs. However, these sizable efforts to lend relief to the nation’s unemployed were overwhelmed by the tremendous need for philanthropic support.

Indianapolis served as a microcosm of the national trend. Private relief agencies like Wheeler Mission and the Family Welfare Society were key components in Indianapolis’ relief efforts. It was in this environment that the Indianapolis Foundation would face a real demand for its resources and support. Government aid would not come until 1933 with the election of Franklin Delano Roosevelt. Until then, the Indianapolis Foundation, like many institutional funders across the United States between 1929 and 1932, had to find ways to meet the greatest needs of the community while surviving the effects of the Depression themselves.

CHAPTER FOUR

THE INDIANAPOLIS FOUNDATION RESPONSE TO THE GREAT DEPRESSION

The First Months of 1929

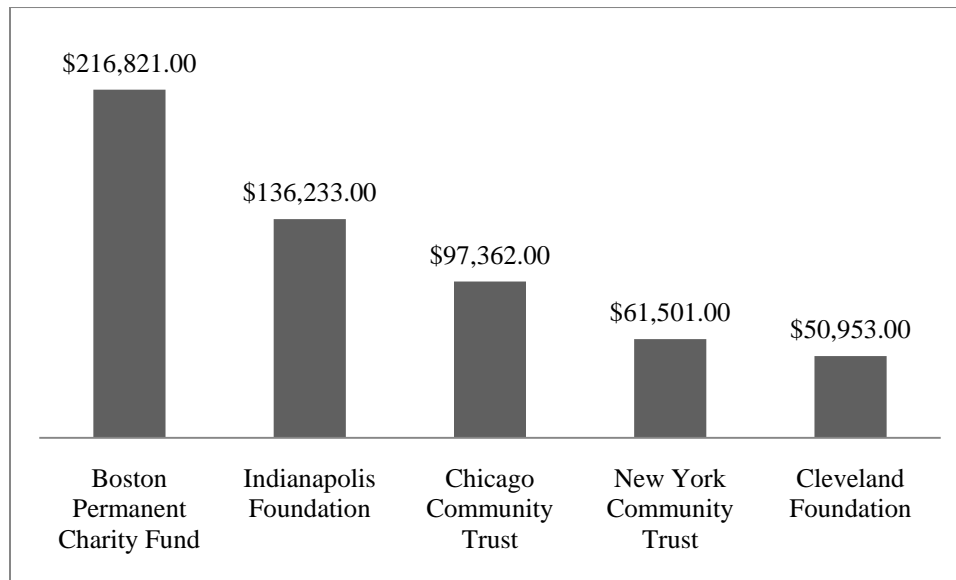
The Indianapolis Foundation's board of trustees and staff began the year of 1929 in good spirits. The Foundation had just closed out its biggest disbursement year to date. In 1928, the Foundation had spent over \$136,000 and allocated support to 16 different Indianapolis-based organizations and projects. The recipients who benefited the most from these funds were the Indianapolis Community Fund (\$13,750), the School for Crippled Children (\$11,016.33), and the Indianapolis Employment Bureau (\$12,000).¹²⁰ Nationally, the Foundation ranked second in disbursements, trailing only the Boston Permanent Fund, and fifth in principal assets.¹²¹ Only a few months earlier, on October 10, 1928, the Foundation had completed its most ambitious project to date: the Delavan Smith Athletic Field, a four year, \$100,000 construction project of an athletic field at

¹²⁰ Additional recipients of Foundation funds in 1928: Colored Hospital Study with Dr. William Walsh (\$1,070.88); Delavan Smith Athletic Field (noted below); Sunnyside Sanatorium (\$3,500) - \$10,000 remaining in appropriations; Orthodontia and Prenatal Clinics (\$5,500); Teachers College of Indianapolis (\$5,000 for maintenance); YWCA (\$18,500 for their building fund); Wheeler City Mission (\$2,500 for building); James E. Roberts Appliance Fund (\$500); Public Health Nursing Association (\$7,486.36); Social Service Scholarships to Two Individuals (\$1,570); Indianapolis Orphan Asylum Demonstration (\$3,016.68); St. Margaret's Guild, Occupational Therapy (\$1,799.16); and Indianapolis Free Kindergarten (\$1,704.21). "January 18, 1929 Minutes," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1929 (1)" Box 2, Folder 5, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

¹²¹ The Indianapolis Foundation trailed four other community foundations in capital assets available: the New York Community Trust (1), Boston Permanent Charity Fund (2), Chicago Community Trust (3), and the Cleveland Foundation (4). American Bankers Association, *Community trusts in the United States and Canada; a survey of existing trusts, with suggestions for organizing and developing new foundations*, (New York, NY: Trust Company Division, American Bankers Association, 1931), 30.

Emmerich Manual Training High School.¹²² These achievements led Eugene Foster, the executive director of the Foundation, to predict that the Foundation would match its 1928 funding levels in 1929.

Figure 8: Disbursements of the Five Largest Community Foundations in the United States, 1928



Source: American Bankers Associations, *Community trusts in the United States and Canada; a survey of existing trusts, with suggestions for organizing and developing new foundations*, (New York, NY: Trust Company Division, American Bankers Association, 1931), 30.

The 1929 group of trustees who were in charge of making the Foundation's disbursements would lead it during the years of the private response to the Depression. The board consisted of six men: Fr. Francis Gavisk, H.H. Hornbrook, G.A. Efroymsen, J.K. Lilly, Louis H. Levey, and Henry Bennett. Of these individuals, five – Gavisk, Hornbrook, Bennett, Lilly, and Levey – were originally appointed at the Foundation's establishment in 1916. G.A. Efroymsen was appointed to fill the seat of the board's original chairman, Charles Fairbanks, when he died in 1919.

¹²² The overall cost of the program was \$101,747.37 and had constituted a \$25,000 expenditure for the Indianapolis Foundation each year during the previous four years. The Foundation had begun work on the project within a year of receiving the Delavan Smith Trust

The Foundation's grantmaking activities in the first half of 1929 provide some insight into its funding focuses and administrative practices moving into the Depression. Generally, the Foundation's board of trustees favored conducting community studies (or surveys) in the event that multiple requests come in from a specific type of organization or for a specific purpose. For example, by the March 15, 1929 board meeting, the Indianapolis Foundation had received two large requests from the Girl's Scouts and the Boy's Club Association for grants to fund recreational facility projects (a swimming pool and a park).¹²³ The board declined both requests, and informed the two organizations that the Foundation would instead conduct a study on the recreational facility needs of Indianapolis.¹²⁴ These studies served a number of purposes. Conducting a study on a problem was a far more economical answer to several inquiries as opposed to the Foundation giving out two or three grants to one funding focus. Studies served to educate the staff and board on how to address social concerns they were unfamiliar with, and they laid the groundwork for future grant activity. Deferring grants until after a report had been conducted on a particular subject matter was common practice for both the Indianapolis Foundation and community foundations in general. In the past, the Foundation had conducted a social conditions study in 1922 before making a single grant to an organization. It had also conducted a survey on the city's health in 1923 before it began its history of grantmaking activities to the city's health agencies: the Public Health Nursing Association, Sunnyside Sanatorium, and St. Margaret's Guild.

¹²³ The grant requests were in the amounts of \$10,000 (Girl Scouts) and \$40,000 (Boy's Club Association). "March 15, 1929 Minutes," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1929 (1)" Box 2, Folder 5, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

¹²⁴ Ibid.

The Foundation's board of trustees also used contributions to the Indianapolis Community Fund as general gifts to any organization that did not receive direct grant funds. Conversely, the Foundation typically did not fund an organization that received a majority of its funds from the Community Fund. For example, at its March 15, 1929 meeting, the board of trustees rejected a grant request from the Church Federation of Indianapolis because the organization already received funding from the Community Fund. In the letter rejecting the request, Eugene Foster informed the Federation that the Indianapolis Foundation already provided funding in the form of its Community Fund appropriation.¹²⁵ As the Depression wore on, the Foundation leaned more heavily on its Community Fund appropriations to reach organizations outside of its general funding foci.

A series of February, 1929 letters between James W. Hook of the New Haven Foundation and Eugene Foster lend further insight into the Indianapolis Foundation's administrative practices. Hook first wrote Foster on February 12th to ask for advice on basic community foundation operating principles that could be replicated at the New Haven Foundation (which had been formed only two years earlier in 1927). Specifically, Hook wanted to know how much money a community foundation should give to a community chest yearly; what types of expenses should count as "administrative;" and any advice that Foster could offer in terms of good grantmaking practices.¹²⁶ Foster replied on February 28th with some advice based on the Indianapolis Foundation's own

¹²⁵ "January 19, 1929 Letter to Church Federation of Indianapolis from Eugene Foster," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1929 (1)" Box 2, Folder 5, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

¹²⁶ "February 12, 1929 Letter to Eugene Foster from James W. Hook," Ibid.

operations. He relayed to Hook that the Indianapolis Foundation gave \$15,000 a year on average to the Indianapolis Community Fund out of an average disbursement total of \$70,000 to \$80,000. Foster noted that the Foundation's giving levels over the previous two years (both topping out over \$130,000 in expenditures) had been the result of "accruelements to one of [the Foundation's] bequests during a period of litigation."¹²⁷ In regards to Hook's administrative expenses question, Foster said that he defined them as "office rent, salaries, office supplies, etc..."¹²⁸

Foster counseled Hook to avoid creating precedents in funding a specific organization. Such a practice could be harmful to the community foundation's future disbursements by endangering its flexibility to fund a diverse number of entities. Foster also encouraged Hook to learn from the Indianapolis Foundation's practice of conducting studies or looking to outside studies and experts if no one on the foundation's staff or board had expertise in a particular funding focus. He specifically cited the examples of the Girl Scouts and Boy's Club Association grant requests, mentioned above. In both cases, the Foundation researched outside studies on developing recreational programs and commissioned its own study before making a decision in regards to the grants.

Finally, Foster provided Hook with an overview of the Indianapolis Foundation's grantmaking process. Foster noted that each grant the Foundation received had to be in made in writing. Each qualifying grant was then investigated by the executive director and the Foundation's staff. If the director was unable to provide a satisfactory recommendation (due to lack of expertise on his part), the Foundation staff consulted an outside organization or study. Furthermore, in conducting studies on local needs and

¹²⁷ "February 28, 1929 Letter to James W. Hook from Eugene Foster," Ibid.

¹²⁸ Ibid.

collecting outside resources on the same issues, Foster noted that the Foundation served as an information clearing house on nonprofit practices. The Foundation's collection of studies, according to Foster, prevented the duplication of services among local private agencies.¹²⁹

The spring of 1929 was intended as the beginning of a year of transition for one of the Indianapolis Foundation's flagship programs, the Indianapolis Employment Bureau. Started in 1924, the Indianapolis Employment Bureau had served as an employment matching agency and information clearinghouse for five years. At the May 24, 1929 board of trustees meeting, the Foundation granted the bureau \$12,000 for its 1929-1930 operations. The board intended the grant to be the last one for the bureau with the expectation that city of Indianapolis would include the program in the city manager plan of government in 1930 – making the bureau into a local government program.¹³⁰

The spring months of 1929 also brought significant developments in the Indianapolis Foundation's trust accounts. In a suit filed in late spring, the heirs to the Pettis estate contested the distribution of the Pettis' property in the 1920 will. The Foundation's Pettis trust came under this litigation, and by the June 21, 1929 board of trustees meeting, the funds from the Pettis trust were completely frozen and inaccessible for use in grantmaking activities. However, despite this turn of events, the board and

¹²⁹ "February 12, 1929 Letter to Eugene Foster from James W. Hook," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1929 (1)" Box 2, Folder 5, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

¹³⁰ "May 24, 1929 Minutes," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1929 (1)" Box 2, Folder 5, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

executive director did not believe that the suit would incapacitate the Foundation's funding policies in the future.¹³¹

The board's lack of apprehension in regards to the legal restriction surrounding the Pettis fund was born out in the Foundation's remaining appropriations of 1929. At both the September and October meetings that year, the board continued their previous funding policies and even dramatically expanded the Foundation's commitments in some areas. At the October meeting, the board increased the Foundation's yearly appropriation to the Community Fund from \$15,000 to \$16,000.¹³² By that same October meeting, the board had made nearly \$180,000 in appropriations since first board meeting of the year.¹³³ Of this \$180,000 in appropriations, \$100,000 had been paid out already from the Foundation's trusts. The remaining \$80,000 in commitments included over \$40,000 in 1930 commitments, including: scholarship funding for various students; the Indianapolis Employment Bureau (\$12,000); the Indianapolis Teachers College (\$5,000); Psychiatric Service University Hospitals (\$12,000); salaries for assistant therapists for the city hospital; the Indianapolis Orphan Asylum; and the Psychiatric Asylum Psychiatric Services (\$13,500). Moving into the first year of the Depression, the Indianapolis Foundation was overextended in the number of outstanding appropriations that it had on the books. The Foundation's trust assets going into 1930 were also on shaky ground with the loss of the Pettis trust. However, in both cases, it would not be until the end of 1930 that the full extent of the damage would be felt by the Foundation.

¹³¹ "June 21, 1929 Minutes," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1929 (1)" Box 2, Folder 5, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

¹³² "October 25, 1929 Minutes," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1929 (2)" Box 2, Folder 6, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

¹³³ Ibid.

The Onset of the Depression: October, 1929 – December, 1930

The Indianapolis Foundation did not feel an immediate effect from the stock market crash of October, 1929, and, like the rest of the nation, the Foundation's board and executive director did not grasp the severity of the economic situation until later in the year. Indeed, the first board meeting of 1930 (February 14, 1930) was filled with optimism similar to the sentiment expressed in first board meeting of the preceding year.¹³⁴ During the meeting, the executive director's outlook was quite bright despite the fact that the Alphonso Pettis trust was tied up in litigation. Foster told the board that the foundation would be able to expend a similar amount of money in 1930 as it had in 1929 (\$123,193.97), even without the Pettis trust. While the Foundation did add two new trust accounts to its existing three, the James E. Lilly and Joseph Kealing trusts (both \$5,000 in value), these trusts would not yield any grantmaking revenue for 1930.

However, despite Foster's optimism, the Foundation board of trustees indicated, through their early funding decisions, that the organization would chart a conservative fiscal course because of the Pettis fund's litigation issues. In late February, the board refused to fund a \$17,500 appropriation for the Council on Social Agencies which was seeking to carry out the recommendations of the 1929 recreation study. Foster informed the organization in his rejection letter that the Indianapolis Foundation did not have the funds available to grant such a request. The letter blamed the loss of the Pettis trust as the reason behind the inadequate funding. This move indicated the Foundation intended to

¹³⁴ "February 14, 1930 Minutes," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1929 (2)" Box 2, Folder 6, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

refrain from making additional commitments to local organizations until it fulfilled its pre-existing obligations.¹³⁵

The first real signs of trouble began to appear in the middle of 1930 when the Foundation's board and executive director first began expressing concerns of mounting unmet funding obligations at their May 23, 1930 meeting.¹³⁶ The City Manager's Plan, which was supposed to have incorporated the Indianapolis Employment Bureau into the city's services, had failed to pass. As a result the bureau approached the Foundation for another year of financial support to carry it through 1931. Foster recommended to the board that the Foundation continue support based on the growing need for bureau's services. He noted, "We have been experiencing a year of unemployment and the months ahead do not look as encouraging as we had hoped for by this time."¹³⁷ The board acted on Foster's recommendation and appropriated another \$12,000 to support the bureau through May, 1931.¹³⁸

Also by the middle of the year, the Indianapolis Community Fund had begun reporting an increased strain on its resources. By May, community fund agencies were already running a combined \$70,000 over budget on the year. Foster expected this expenses overrun to reach \$100,000 by the start of the 1931-1932 funding drive in the fall. The board of trustees reacted to the Fund's problems by supplying continued funding for the Foundation-initiated programs that were supposed to obtain independent funding

¹³⁵ "February 28, 1930 Letter to Fred L. Hollweg from Eugene Foster," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1930 (1)" Box 3, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

¹³⁶ "May 23, 1930 Minutes," Ibid.

¹³⁷ Ibid.

¹³⁸ Ibid.

by the end of 1929. The continued disbursements to the Indianapolis Employment Bureau and the Orphan Asylum Board are the two strongest examples of this policy.¹³⁹

The Foundation's financial situation by the end of 1930 was significantly different than at the year's start. At the December 26, 1930 board meeting, Foster reported that the Foundation had less than \$2,000 on hand at the end of the year to meet its obligations. The Foundation had met all of its commitments in 1930 aside from \$6,000 of its Community Fund appropriation.¹⁴⁰ In response to the lack of available funds on hand, the Foundation's board considerably restrained its previous appropriations activity. For example, unlike late 1929, the Foundation board made next-year appropriations for only three organizations at the end 1930. The three organizations were the Indianapolis Employment Bureau, the Orphan Asylum Board, and the City Hospital. The board also cut some programming from the Foundation's obligations when it terminated the organization's social service scholarship program at the end of the year.¹⁴¹ The Foundation finished 1930 with \$119,925.68 in expenditures, only \$4,000 less than the previous year's amount.¹⁴² Compared to other community foundations in 1930, The Indianapolis Foundation still ranked third nationally in disbursements, and sixth in

¹³⁹ The Foundation informed the Orphan Asylum Board that it would have to get its own independent funding after the Foundation's 1929 grant expired. Foster successfully counsels the board to keep the funding to the Orphan Asylum Board moving through 1931 because the organization would not get funding from the cash-strapped Indianapolis Community Fund. "May 23, 1930 Minutes," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1930 (1)" Box 3, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

¹⁴⁰ "December 26, 1930 Minutes," Ibid.

¹⁴¹ Ibid.

¹⁴² "January 26, 1931 Minutes," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1931 (1)" Box 3, Folder 3, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

principal asset holdings. However, these rankings belied the Foundation's precarious financial position heading into 1931.¹⁴³

First Full Year of the Depression: 1931

Eugene Foster's first report to the board in 1931 was far more restrained than those of the previous two years.¹⁴⁴ Foster began his statement to the board with a summary of the Foundation's weak financial condition: "We have come through the year [1930] with our balances practically exhausted and for 1931 our expenditures will not reach those of the past two years unless funds are released from the A.P. Pettis fund or made available from some other resource."¹⁴⁵ This lack of available trust income was coupled with a number of outstanding financial commitments. The Foundation had already accumulated \$13,000 of outstanding allocations by the end of January, 1931: \$8,000 in remaining commitments to the Indianapolis Community Fund, and \$5,000 in commitments to the Sunnyside Sanatorium. The Foundation's board declared its intention in January not to reissue a grant to the Child Guidance Clinic after the 1930 grant expired on April 20, 1931. This decision yielded a \$13,000 cut in the Foundation's yearly expenditures.¹⁴⁶

The Foundation board and staff later met with the Child Guidance Clinic staff at a special meeting on March 6, 1931 to further discuss the funding situation and decide on a

¹⁴³ "January 26, 1931 Minutes," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1931 (1)" Box 3, Folder 3, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

¹⁴⁴ Ibid.

¹⁴⁵ Ibid.

¹⁴⁶ The Indianapolis Foundation had funded the Child Guidance Clinic at an amount of \$13,049.21 in 1930. Ibid.

future plan of action.¹⁴⁷ The clinic staff noted to the board that the organization would likely have to close without support from the Foundation. Other interested funders, notably the University School of Medicine and local hospitals, did not have the necessary funds available to support the program. Foster recommended to the board that the Foundation provide a small \$300 grant to keep the clinic solvent through the month of May.¹⁴⁸ This recommendation was quickly rebuffed by the board's G.A. Efroymsen who argued that critical community partners really had no interest in seeing the clinic continue operation. The fact that the hospitals and university refused to pick up the funding obligation for the clinic, Efroymsen argued, was an example of this lack of community support. The board sided with Efroymsen, and no new grant was allocated to the clinic.

The Foundation's financial condition did not improve by the board's May 1st board meeting.¹⁴⁹ Foster reported to the board that the Foundation had no cash on hand at the end of April. Furthermore, the Foundation had over \$4,000 in outstanding commitments for that month alone. Foster balanced this report by noting his expectation that the Foundation would be able to meet its second quarter obligations by the beginning of the next quarter. However, the Foundation would just barely make these payments. While the Foundation suffered from a shortfall in its finances, the Pettis fund had nearly

¹⁴⁷ "March 6, 1931 Minutes," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1931 (1)" Box 3, Folder 3, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

¹⁴⁸ It is uncertain if this attempt at a small grant might have been a stalling tactic on the part of Foster to get the Clinic through until the next board meeting in May. Foster might have thought that the financial situation for the Foundation might improve by then, after which a larger support grant could be given to the clinic. "March 6, 1931 Minutes," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1931 (1)" Box 3, Folder 3, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

¹⁴⁹ "May 31, 1931 Minutes," Ibid.

\$60,000 of expendable income on hand which would remain unavailable until the trust cleared litigation.

The month of May saw the official closure of the Child Guidance Clinic grant on the Foundation's financial book. The Child Guidance Clinic had closed its doors in April with a grant overrun of \$67.54. Foster noted to the board, at the close of the clinic, that the Foundation likely would never have made the grant in the first place to the organization if it had known that the program would not survive past the trial period.¹⁵⁰

In May, the Foundation board also began heavily emphasizing a policy to move some of its programs to other funding sources. The board suggested to its long-time partner St. Margaret's Hospital Guild that it begin searching for alternative funding sources. In the case of the Hospital Guild, the Foundation suggested that the organization approach the City Hospital to take over the majority of the funding obligations. Under this condition, the Foundation agreed to continue funding the Hospital Guild through September 1, 1932.¹⁵¹

The Foundation reiterated this policy at its July 2, 1931 board meeting when the Indianapolis Employment Bureau requested another renewal grant (to fund the organization through the middle of 1932). The bureau cited the lack of available outside financial support (specifically government support) as the reason why it was forced to approach the Foundation for funding again. The bureau told the board that the funding would carry the organization through until 1932 when, it hoped, the state or federal

¹⁵⁰ "May 31, 1931 Minutes," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1931 (1)" Box 3, Folder 3, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

¹⁵¹ "May 1, 1931 letter from Eugene Foster to Vivian Masters," Ibid.

government would begin providing support for its activities.¹⁵² The board agreed to extend funding for the bureau until September 1, 1932. However, as Foster emphasized in his July 2nd letter to the bureau, the board wanted the organization to find funding elsewhere as soon as possible.¹⁵³ Furthermore, Foster informed the bureau that it would have to contact the Foundation again by March 1, 1932 if it wanted to secure funding past the September 1, 1932 end-date.¹⁵⁴

The Indianapolis Employment Bureau was not the only private unemployment agency seeking the Foundation's support in the middle of 1931. On August 12, 1931, the Indianapolis Commission for Stabilization of Employment requested \$6,000 from the Foundation. This request represented a request for additional Foundation support for the Commission, which was already benefitting from the free services of George Gill (whose salary was paid for by the Foundation via the Indianapolis Employment Bureau allocation).¹⁵⁵ The Foundation officially rejected this request at its December meeting (most likely because it already supported the bureau's unemployment relief activities).¹⁵⁶

The Indianapolis Community Fund drive dominated the October agenda for the Foundation and its staff. In the middle of the month, the board of trustees had a meeting with Dr. George E. Vincent (retiring director of the Rockefeller Foundation) to discuss

¹⁵² The Indianapolis Employment Bureau did not expect a replacement government program to take over its work. Rather, it was hoping for an outcome similar to the one projected in the 1930 city manager's plan – where the bureau would remain intact, but would become a government agency.

¹⁵³ "July 2, 1931 Letter from Foster to John G. White," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1931 (1)" Box 3, Folder 3, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

¹⁵⁴ Ibid.

¹⁵⁵ "August 12, 1931 Letter from A. Kiefer Mayer to Eugene Foster," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1931 (1)" Box 3, Folder 3, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

¹⁵⁶ It is also likely that the Foundation's lack of expendable income contributed to the board's decision to reject the Commission's report. "December 13, 1931 Minutes," Ibid.

the Foundation's funding focuses and practices. From Foster's notes on the meeting, it appeared that Vincent was pleased with the Foundation's funding priorities. Vincent was in favor of the Foundation's expenditures to the Indianapolis Community Fund drives; however, he recommended that the Foundation should only maintain its high giving levels to the Community Fund during the Depression. In times of prosperity, he recommended that the Foundation draw down its obligations to the community chest.¹⁵⁷ Five days after the meeting with Vincent, the Indianapolis Community Fund presented its request for a \$20,000 contribution from the Indianapolis Foundation.¹⁵⁸

The \$20,000 request from the Community Fund constituted less than 2 percent of the campaign's \$1,043,686 quota. The Fund had already received a \$75,000 pledge from Eli Lilly and was seeking additional support from the city's largest givers and philanthropic institutions.¹⁵⁹ The Foundation's board acted quickly on the Fund's request. At their October 23, 1931 meeting, the trustees agreed to renew the previous year's \$15,000 allocation. In addition to this amount, the Indianapolis Foundation appropriated an additional \$5,000 in emergency funding to meet the Community Fund's total request.¹⁶⁰

The Foundation's appropriation to the Community Fund was the last significant, and largest, grant made by the organization in 1931. The appropriation to the Fund constituted 20 percent of the of the Foundation's total commitments that year. Overall, the Foundation had made \$106,000 in appropriations during 1931. However, by

¹⁵⁷ "October 15, 1931 Minutes," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1931 (1)" Box 3, Folder 3, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

¹⁵⁸ "October 20, 1931 Letter from Arthur V. Brown to Eugene Foster," Ibid.

¹⁵⁹ Ibid.

¹⁶⁰ "October 23, 1931 Minutes," Ibid.

November 30th of that year, the Foundation was over \$25,000 behind in meeting those commitments. This financial position severely hampered the Foundation's grantmaking plans for 1932. Foster budgeted only \$82,000 in appropriations for the next year. This projection included only the income from the Delavan Smith, James E. Roberts, and Joseph B. Kealing trusts. Foster stopped including the Pettis trust in the Foundation's future income figures as he was unsure when the trust's funds would become usable again.¹⁶¹

1932: The Darkest Depths

As noted in the second chapter, 1932 proved to be the worst year of the Depression in terms of unemployment, need for relief support, and strain on private agencies. Similarly, 1932 was the worst year that the Indianapolis Foundation suffered during the course of the Depression. Crippled by the loss of the Pettis trust and further burdened by outstanding commitments from 1931, the Foundation struggled to maintain the previous year's giving levels. The Foundation also suffered the loss of one of its original board members with the death of Fr. Francis Gavisk in October.

The first board meeting of 1932 focused on the Foundation's previous activities to combat the Depression in Indianapolis and provided a summary of the Foundation's weakened financial state. The Foundation's official expenditures had fallen to \$83,630.86 in 1931 (70 percent of its 1930 giving level). Because the Foundation's disbursements had declined so significantly, its administrative expense percent rose. In 1931, a tenth of

¹⁶¹ The Foundation shied away from making new appropriations during 1931. Many of the grants they did approve were for previously funded program. For example, at the December 13th meeting, the Foundation approved a funding request for the Indianapolis League for the Hard of Hearing at a rate of \$50 a month for another year (a continuation of past funding levels). "December 13, 1931 Minutes," Ibid.

all Foundation's expenditures went to administrative costs (the salaries of the executive director and his assistant; office supplies; rent; etc...). This percentage was up from 7.5 percent in 1930.¹⁶²

The first board meeting of 1931 focused heavily on the work of the Indianapolis Employment Bureau. Foster announced at the meeting that George Gill, the bureau's director had just recently joined the newly formed Emergency Work Committee in Indianapolis. During the previous two years, the bureau's board had authorized and undertaken numerous studies on the Indianapolis unemployment situation. The organization had maintained a national presence in that Gill regularly attended national conferences on unemployment concerns to both speak on the Indianapolis employment situation and consult with private relief leaders working in the field. Foster told the board that the Foundation's support of the bureau provided "an organized and scientific way" to combating Indianapolis' unemployment problems. Foster believed that such an approach was noteworthy compared to the activities of the Foundation's peers.¹⁶³

Besides its support for the bureau, the Foundation also carried forward support for a number of its historic projects into 1932. The most notable continued programs were the Foundation's scholarship programs (\$11,986.75 in combined disbursements); support for the Sunnyside Sanatorium; pledges to the Indianapolis Community Fund; funding for the nurses at the School for Crippled Children; and support for St. Margaret's Hospital Guild. The Foundation was unable to fund many new programs due to trust income constraints. As Foster noted in the board meeting, "We regret that at a time when there

¹⁶² "February 5, 1932 Minutes," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1932" Box 3, Folder 5, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

¹⁶³ Ibid.

are so many outstanding needs in our midst that there is decreased availability of funds for distribution.”¹⁶⁴ The Foundation was also delinquent in meeting previous grant commitments from 1931. It still owed the Indianapolis Community Fund \$10,000 of its \$20,000 1931 commitment.¹⁶⁵ Throughout 1932, the Foundation either drew back its previous funding levels to organizations or cut funding entirely.

One of the Foundation’s funding cuts in 1932 was ameliorated through the generous one-time gift of an anonymous donor. Earlier in the year, the Foundation had decided to not provide additional funding to the Orphans Asylum Board because of the lack of available trust income. In March, an anonymous donor, working through the Fletcher’s Savings and Trust Company, provided the Foundation with a \$9,000 gift specifically designated for the Asylum.¹⁶⁶ Foster received the gift on behalf of the Foundation, and the funds were immediately re-granted to the Asylum through the Indianapolis Foundation.

The month of April brought a series of requests to the Foundation from old programs seeking continued support. The St. Margaret’s Hospital Guild requested a renewal of their 1931-1932 grant of \$4,550 on April 5th.¹⁶⁷ Just over two weeks later, on April 21st, the Indianapolis Employment Bureau notified the Foundation that it would

¹⁶⁴ “February 5, 1932 Minutes,” Indianapolis Foundation, “MSS49 Board of Trustees Minutes, 1932” Box 3, Folder 5, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

¹⁶⁵ Ibid.

¹⁶⁶ The donor was a client of Fletcher’s Savings and Trust Company, and he used the trust company to shield his identity from the Foundation. All correspondence in regards to the gift occurred between Evans Woolen, the president of Fletcher Savings and Trust, and Eugene Foster. “March 14, 1932 Letter from Evans Woolen to Eugene Foster,” Ibid.

¹⁶⁷ “April 5, 1932 Letter from St. Margaret’s Hospital Guild to Eugene Foster,” Indianapolis Foundation, “MSS49 Board of Trustees Minutes, 1932” Box 3, Folder 5, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

require a renewal of funding past the September deadline established in 1931. The bureau emphasized its employment services in the community as justification for continued support. The organization reported that it had received over 32,000 applicants for support since the beginning of the Depression and 24,000 inquiries seeking information on employment opportunities. Of its applicants, the bureau had successfully placed 6,700 individuals in positions. Furthermore, the bureau had also been integral in creating the Indianapolis Emergency Work Committee which employed over 4,000 individuals each week through its work relief program. The bureau's board chair, John White, assured Foster that the organization was seeking additional support from outside agencies.¹⁶⁸ However, considering the Indianapolis Employment Bureau's past history in securing such outside support, it was unlikely that the organization's financing would be provided for by another philanthropic source.

The Foundation continued its funding of both organizations, but at a reduced amount. The board of trustees approved a reduced grant of \$3,350 for 1932-1933 to the St. Margaret Hospital Guild in September. Foster's letter accompanying the approval of the request expressed the Foundation's regret in not being able to carry on its previous funding levels: "We appreciate the privilege of co-operation with your organization and sincerely regret that we find ourselves in a position in which we can no longer carry the responsibility we have heretofore assumed in this partnership."¹⁶⁹ In addition to

¹⁶⁸ "April 21, 1932 Letter from John White to Eugene Foster," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1932" Box 3, Folder 5, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

¹⁶⁹ "September 19, 1932 Letter from Eugene Foster to Vera Landers," Ibid.

approving the Guild's request, the Foundation also continued funding for the Indianapolis Employment Bureau for the remainder of 1932.¹⁷⁰

One notable interaction between the Foundation and a grantee organization in 1932 came when the City Hospital fired Lucy Clare Finley, the director of the Indianapolis Foundation-funded Admitting Department. The board's chairman, J.K. Lilly wrote a letter to Evans Woolen, who served as president of the City Board of Health, on June 24th chastising the City Board of Health for the action. Lilly noted that the Foundation had provided over \$62,000 in funding to the Board since 1924. He also told the Board of Health that he felt the organization had achieved no "permanent results" with the Foundation's money.¹⁷¹ This instance stands as an example of how past Foundation funding did not guarantee the continuance of some programs. In this case, the City Hospital had fired the director after the Foundation's grant expired.

The Foundation received two blows to its leadership in the fall of 1932. The first came when J.K. Lilly decided to resign his position on the Foundation board. His fellow trustees successfully advised him to not vacate his position immediately. Lilly instead decided that he would not accept reappointment when his term ended in January, 1933. The second shock to the board's leadership came when Fr. Francis Gavisk died on October 22, 1932 after battling illness for several months.¹⁷² Gavisk was a well-respected

¹⁷⁰ This continuation in funding is inferred from the fact that the Employment Bureau received roughly \$11,000 in disbursements from the Foundation 1932 (almost equivalent to previous years' grants). The Foundation's board also did not officially discontinue funding for the Bureau until its first board meeting of 1933.

¹⁷¹ "June 24, 1932 Letter from J.K. Lilly to Evans Woolen," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1932" Box 3, Folder 5, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

¹⁷² "December 20, 1932 Minutes, 1932," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1932" Box 3, Folder 5, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

philanthropic leader in the Indianapolis community who served in leadership positions at the Board of State Charities, Red Cross, Community Fund, Catholic Charities, and Family Welfare Society in addition to his membership on the Foundation's board.¹⁷³ With the departure of both men, the Foundation lost key connections to the Indianapolis business and private relief communities.

The situation at the end of 1932 was dire for the Indianapolis Foundation. A third of the Foundation's board would not return for the next year. The organization had \$140,000 in past appropriations on the books with less than \$80,000 in payments made against those commitments. Of the \$60,000 in outstanding commitments, the Foundation owed over \$23,000 to the Pettis scholarship account and another \$20,000 to the Indianapolis Community Fund (for the 1932-33 drive). Besides the previously mentioned reductions to the St. Mary's Hospital Guild and the Indianapolis Employment Bureau, the Foundation decreased its appropriations to the U.S. Public Health Service, the Indianapolis Sight Conservation Class, and the Public Health Nursing Association. The Foundation also informed W.A. Hacker of the Indianapolis Public Schools that its sponsored scholarship funds would likely be reduced in 1933. In addition to these program cuts, the Foundation staff took a voluntary 10 percent reduction in pay.¹⁷⁴

¹⁷³ Bradford Sample, "To Do Some Small Good: Philanthropy in Indianapolis, 1929-1933," (M.A. Thesis, Indiana University, 1998), 253.

¹⁷⁴ The pay cut affected the Foundation's two employees: Executive Director Eugene Foster and his assistant, Mary Mueller. "December 20, 1932 Minutes," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1932" Box 3, Folder 5, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

1933: The Pettis Trust's Return and the Beginning of the New Deal

The last round of funding cuts came at the January 30, 1933 meeting of the board of trustees. Total expenditures for the previous year had amounted to only \$79,484.89 (the lowest funding year for the Indianapolis Foundation between 1924 and 1940). Administrative expenses had risen to constitute 11 percent of overall expenditures.¹⁷⁵ These budget shortfalls coupled with the creation of new state-sponsored relief agencies led the Foundation to officially cut its funding to the Indianapolis Employment Bureau. The Bureau was the longest running program for the Indianapolis Foundation, receiving grant allocations for eight consecutive years. The organization was originally created to fill a role within the Indianapolis community where no other similar organizations existed. However, by the beginning of 1933, the State City Employment Services agency had been created which duplicated much of the bureau's unemployment services. State City Employment Services' operations were paid directly from public funding. Consequently, in an effort to avoid the duplication of services, the Foundation's board discontinued funding for the Bureau and replaced this appropriation with salary support for George Gill's work with the Emergency Work Committee.¹⁷⁶

The first board meeting of 1933 was also the first time that the Foundation had experienced an infusion of new leadership on its board in 12 years. The last board replacement had occurred in 1919 when G.A. Efroymsen took Charles Fairbanks'

¹⁷⁵ This high administrative expenses figure might have served as impetus behind Foster and Mueller's decision to take a 10 percent pay cut (in an effort to control the administrative expenses percentage).

¹⁷⁶ The decision to continue funding George Gill's salary as part of the Emergency Work Committee could be interpreted as a continuation of funding for the Employment Bureau (which was essentially Gill). Most of the previous funding to the Bureau had been to support Gill's salary. "January 30, 1933 Minutes," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1933" Box 3, Folder 6, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

position after Fairbanks' death. Gavisk's death and Lilly's resignation opened up two positions in 1933. Thomas D. Sheerin, an investment banker and active member in the Indianapolis Community Fund, the local Boy's Club, and the Catholic Charities Bureau, was appointed to fill out Gavisk's term (which expired in 1935).¹⁷⁷ Walter Meyers, a lawyer and Speaker of the Indiana General Assembly (1931-1933), filled Lilly's position with a new six year appointment (1933-1939).¹⁷⁸ Henry Hornbrook succeeded Lilly as the chair of the board.

The Indianapolis Foundation received welcome news in February, 1933 when the Alphonso Pettis fund finally emerged from litigation. The trust's income had been unavailable to the Foundation for over two and a half years (since June, 1929). Foster and the board immediately put the trust's income to use, paying off outstanding obligations immediately. By the end of the month, the Foundation had fulfilled its outstanding obligation to the Indianapolis Community Fund and was on solid financial footing for the first time in two years.¹⁷⁹

Franklin Roosevelt took office on March 4, 1933 and his New Deal policies brought major changes to how private and public relief agencies deployed their services for the remainder of the decade. Interestingly, the Indianapolis Foundation's official letters and board transcripts are devoid of any reaction or observations regarding the election or the resulting policy changes. Throughout the year, the Foundation moved

¹⁷⁷ Details on Sheerin's affiliations are from Bradford Sample, "To Do Some Small Good: Philanthropy in Indianapolis, 1929-1933," (M.A. Thesis, Indiana University, 1998), 266.

¹⁷⁸ Details on Meyer's background and affiliations are from Ibid., 263.

¹⁷⁹ The date of the release of the fund is estimated based on paid invoices from the Foundation's records. MSS49 Board of Trustees, "Invoice #154, February 28, 1933 – Indianapolis Community Fund in the amount of \$7,000," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1933" Box 3, Folder 6, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

forward warily. It did not expand its commitments by providing support to new agencies. It also did not attempt to change its giving focuses based on the infusion of new federal relief dollars.

The Foundation continued the previous year's conservative fiscal policies throughout 1933. This action yielded an \$11,000 operating surplus over expenditures at the end of year. In all, the Foundation collected \$103,000 in distributable income (of which \$92,829.89 was spent) during 1933. The return of the Pettis Fund was the primary cause of the increased income in its addition of another \$30,000 to the Foundation's yearly trust income.¹⁸⁰ The Foundation did increase some allocations for existing organizations in 1933. It provided an additional \$2,000 in funding to the School for Crippled Children above the original \$15,000 allocation. The Foundation also received a trust donation from Robert Lieber, creating a fund from which yearly disbursements of \$50 would be made to the Indiana Symphony Orchestra. Throughout the rest of the decade, the Indianapolis Foundation would continue its restrained funding pattern.¹⁸¹

Trends in the Indianapolis Foundation's Response to the Depression, 1929-1933

The Indianapolis Foundation's activities during the first four years of the Great Depression are of particular interest because private agencies bore the brunt of the relief burden during this time period. Consequently, between 1929 and 1933, the Foundation would have experienced the largest number of requests from private agencies and the

¹⁸⁰ Figure calculated by subtracting 1932's income (which was acquired without the Pettis trust) from the 1933 reported income (when the Pettis Trust was active).

¹⁸¹ "October 6, 1933 Minutes," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1933" Box 3, Folder 6, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

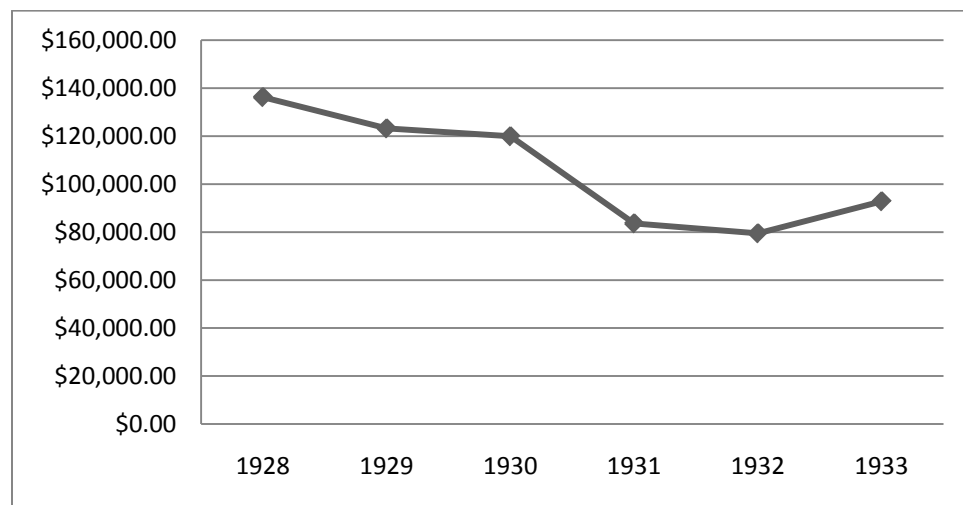
greatest strain on its resources because both government resources and private relief funding were scarce. This observation is certainly born out in the difficulty that Indianapolis Foundation's grantees experienced trying to find alternative sources of funding for their programs. Indeed, the demonstration programs of the Indianapolis Foundation, most notably the Indianapolis Employment Bureau, became completely dependent on the Foundation's funding to survive. Going into the Depression, the Foundation was a supporter of exploratory studies and test (demonstration) programs. Even before the arrival of the Depression, the Foundation was encouraging its demonstration programs to find alternative sources of support so that the organization could provide seed money for new programs. The Depression turned the Foundation into a funding source of general operating support for its demonstration projects because they could not find funding elsewhere.

The Foundation's giving to the Indianapolis Community Fund represents another general funding trend. Throughout the first four years of the Depression, the Indianapolis Foundation increased its yearly allocations to the Community Fund from \$15,000 to \$20,000. As a percentage of the Foundation's overall spending, Community Fund allocations rose from 11 percent of all expenditures in 1928 to over 25 percent in 1932. The Foundation used the Community Fund grant to address general relief efforts in the city, and it did not give grants to programs that received funding from the chest's annual campaign drives.

While the Foundation's trusts were affected by the Depression's affect on asset values, the real cause of its income troubles during the Depression was the loss of the Pettis trust. It is likely that, if the Pettis trust's income had been available between 1929

and 1932, the Foundation's expenditures would have still declined (certainly in 1931 and 1932). However, this decline would have been far less drastic than the nearly 30 percent reduction in expenditures experienced by the Foundation. The loss of the Pettis trust explains why the Indianapolis Foundation differed from the national trend among similar-sized community foundations, all of which either increased or maintained their giving levels throughout these three years. After the Pettis fund income became available, the Foundation's expenditures rose yearly throughout the rest of the decade.

Figure 9: Indianapolis Foundation Disbursements, 1928-1933



Source: Data on Foundation disbursements comes from the board minutes for the first board meetings of the specified years. Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

CHAPTER FIVE

FDR, THE NEW DEAL, AND THE PUBLIC RESPONSE TO THE DEPRESSION

The Need for a Public Response to the Depression

By 1932, state and local governments across the United States were crippled by an overwhelming number of requests for relief support and limited financial resources. At the federal level, Hoover had attempted through early 1932 to respond to the Depression with a combination of increased government public works spending and an exhortation for Americans to give to their local private charities. These efforts culminated in the POUR campaigns of late 1931 which yielded major private fundraising results in cities across the United States. However, by the beginning of 1932, it was evident that private philanthropy was not up to the task of combating the Depression's effects.

Hoover responded to requests for additional federal support from state and local governments, as well as private agency leaders, in July, 1932 when he did not move to block the creation of the Reconstruction Finance Corporation (RFC). The RFC was created with a pool of money from which state and local governments could receive loan funding in support of their relief efforts. These loans could be used by state and local governments to either initiate public works programs or shore up local relief programs. In total, the RFC boasted a loan pool of \$300 million (an unprecedented amount at the time).

Numerous criticisms quickly arose regarding the RFC; chief among them was the accurate observation that the program was not large enough. To be sure, nearly all of the program's loan funds had been expended within ten months of its start.¹⁸² Harry L. Hopkins, Franklin D. Roosevelt's chief unemployment and relief advisor, argued that a federal program would need roughly \$1 billion worth of funding (three times the amount allocated to the RFC) to address the needs of half of the nation's unemployed workforce.¹⁸³ Private and governmental agencies also expressed a preference for direct grant aid support over federal loans. Unlike grants, loans placed a repayment burden on the state agencies that received the funding (which would further encumber agencies beyond the end of the Depression). As its loan funds dwindled, even private agency leaders requested an expansion of the RFC. For example, Newton Baker, the chairman of the citizen's relief committee of the Association of Community Chests and Councils, noted in a general appeal to state legislatures in late 1932: "[...] It is evident that unless this winter's imperative increase in unemployment relief can be lifted from local resources by state activity and hence by larger R.F.C. loans our whole distinctive American organization for human betterment will be crippled if not demolished."¹⁸⁴

Hoover's administration failed to expand the program, and the RFC effort was widely regarded as being too small to have an effect on alleviating the Depression's strain on state, local, and private relief agencies. However, the RFC was not an entirely fruitless endeavor. A study by the Russell Sage Foundation found that the program had

¹⁸² Josephine C. Brown, *Public Relief: 1929-1939*, (New York, NY: Octagon Books, 1971), 142.

¹⁸³ Hopkins was also a previous executive of the Red Cross in New York and the New York Tuberculosis Association. *Ibid.*, 135-136.

¹⁸⁴ *Ibid.*, 132.

successfully fostered the creation of state-level aid agencies in its participating states.¹⁸⁵

The RFC also laid the groundwork for FDR's later expansion of federal funding in relief activities.

Franklin Delano Roosevelt and the New Deal

Franklin Delano Roosevelt (FDR), unlike Hoover, believed that the government had a social duty to provide assistance to the poor of society.¹⁸⁶ This belief was exhibited in his initial response, as governor, to the Depression's effects on the state of New York. While many states and localities were reluctant to add to their pre-Depression debt burdens by expanding relief programs, FDR supported the costly expansion of state-sponsored relief aid in New York. On August 28, 1931, Roosevelt proposed the creation of the Temporary Emergency Relief Agency (TERA) in an effort to assist the state's unemployed. The program was designed to provide \$20 million in aid to New York's unemployed population.¹⁸⁷ A month later, the New York state legislature, through the passage of the Wicks Act, formally created TERA. The program quickly received national acclaim and served as the template for FDR's Federal Emergency Relief Agency, which was passed shortly after he became president.¹⁸⁸ Historians have questioned TERA's effectiveness in meeting the needs of New York's unemployed, and

¹⁸⁵ Michael B. Katz, *In the Shadow of the Poorhouse: A Social History of Welfare in America*, (New York, NY: Basic Books, Inc., 1986), 216.

¹⁸⁶ Joan M. Crouse, *The Homeless Transient in the Great Depression: New York State, 1929-1941*, (Albany, NY: State University of New York Press, 1986), 54.; Robert H. Bremner, "The New Deal and Social Welfare," in *Fifty Years Later: The New Deal Evaluated*, ed. Harvard Sitkoff., (New York, NY: Alfred A. Knopf, Inc., 1985), 69.

¹⁸⁷ *Ibid.*, 54.

¹⁸⁸ *Ibid.*, 55.

have argued that program had little impact in improving conditions.¹⁸⁹ Regardless of this debate, FDR's policies as governor represented a very different approach to combating the Depression compared to Hoover's relief efforts. Largely tired with Hoover's policies, Americans elected Roosevelt to the presidency in an electoral landslide in 1932.¹⁹⁰

FDR's election to the presidency led to a subsequent increase in federal spending to relief activities, mirroring his work as governor. Roosevelt accepted the Democratic nomination for the presidency while promising a "new deal for the American people."¹⁹¹ A now infamous term, the "New Deal" referred to FDR's plan to bring the federal government fully into the relief apparatus of the United States. Under FDR's leadership, the federal government became the primary poor relief provider for the United States.

Roosevelt, with the help of a friendly Congress of the same political party, rapidly increased federal government relief spending after the 1932 election.¹⁹² The federal government's direct relief program rose to \$480 million dollars in 1933. These relief obligations doubled to over \$1 billion in 1934, and increased again to \$1.3 billion in 1935. Federal spending constituted over 60 percent of all public relief spending in 1933. This proportion increased to 72 percent and 74 percent of all public relief spending in 1934 and 1935 respectively.¹⁹³ By the end of 1934, federal relief spending had increased

¹⁸⁹ Some historians have argued that TERA provided little relief to the unemployed of New York. Considering that the city of Chicago alone required \$20 million in the fall of 1931 to make it through the winter, a similar amount would likely not have made a significant impact on the then-largest state in the United States. Robert S. McElvaine, *The Great Depression: America, 1929-1941*, (New York, NY: Three Rivers Press, 1993), 112.

¹⁹⁰ Roosevelt carried over 57 percent of the popular vote in 1932 with 472 electoral votes over Hoover's 39.7 percent of the vote. Richard Kirkendall, "The New Deal and American Politics," in *Fifty Years Later: The New Deal Evaluated*, ed. Harvard Sitkoff, (New York, NY: Alfred A. Knopf, Inc., 1985), 15.

¹⁹¹ William E. Leuchtenburg, *Franklin D. Roosevelt and the New Deal*, (New York, NY: Harper and Row, 1963), 8.

¹⁹² Dorothy C. Khan, *Unemployment and Its Treatment in the United States*, (New York, NY: American Association of Social Workers, 1937), 40.

¹⁹³ Ibid.

by 500 percent over the levels seen at the end of Hoover's administration. Certainly by 1935, the federal government's relief efforts had reached immense levels - providing a total of \$4.6 billion a year in relief support through public works, work-relief, and direct aid programs.¹⁹⁴

Work relief programs were integral to federal relief efforts. Both FDR and Hopkins preferred such relief programming over direct aid. The two men referred to direct aid (grant payments to the poor) as the public dole. Work relief was supposed to provide recipients with a sense of personal respect as well as financial support. Relief recipients were not receiving a "demeaning handout," but were instead working for a day's wage.¹⁹⁵ The most prominent of these work relief programs were the Civilian Conservation Corps (CCC), the Civil Works Administration (CWA), and the Works Progress Administration (WPA). The Civilian Conservation Corps and Civil Works Administration were both initiated within months of FDR taking office. The CCC provided work, primarily to young men, through natural conservation projects. The program ran from 1933 to the United States' entry into the Second World War, during which time it employed 2.5 million men and dispensed over \$670 million in wages.¹⁹⁶ The Civil Works Administration was formed in November, 1933 and lasted until 1934. It employed over 4 million men in public works projects across the United States and dispensed over \$800 million in wages during its brief lifespan.¹⁹⁷ The CWA was ultimately replaced by the Works Progress Administration which employed millions of

¹⁹⁴ Dorothy C. Khan, *Unemployment and Its Treatment in the United States*, (New York, NY: American Association of Social Workers, 1937), 88.

¹⁹⁵ Robert H. Bremner, "The New Deal and Social Welfare," in *Fifty Years Later: The New Deal Evaluated*, ed. Harvard Sitkoff, (New York, NY: Alfred A. Knopf, Inc., 1985), 72.

¹⁹⁶ *Ibid.*, 70-71.

¹⁹⁷ *Ibid.*, 72-73.

individuals a year in a variety of make-work projects ranging from traditional public works programs to arts projects. During the WPA's nine year lifespan (1935-1943), it employed 8.5 million Americans and provided a combined total of \$11.4 billion in wages.¹⁹⁸

Direct cash grants aid to individuals also increased, with federal support, during FDR's first two years in office. In his first year in office, the average relief grant to families rose by over 61 percent from \$15.15 per month in support to \$24.53. By 1935, this average relief grant increased in size by another 20 percent to \$29.33.¹⁹⁹ These larger direct cash grants were coupled with the deployment of a series of economic safety nets in 1935. The Social Security Act of 1935 provided old-age insurance and relief to the elderly. The legislation also required all states to create unemployment insurance programs.²⁰⁰

While the New Deal's work relief and direct aid programs were far more robust than the federal response provided by the RFC under Hoover, the program still had its critics. Many argued that New Deal programs were still not expansive enough to address all of the unemployed. Some also argued that the cash grants were still too small for families to subsist on.²⁰¹ One of the critics, the Russell Sage Foundation's Russell Kurtz, expressed concern that traditional direct aid programs would be overwhelmed if the federal programs ever disappeared. He advocated for an expansion of the work relief

¹⁹⁸ Robert H. Bremner, "The New Deal and Social Welfare," in *Fifty Years Later: The New Deal Evaluated*, ed. Harvard Sitkoff, (New York, NY: Alfred A. Knopf, Inc., 1985),

¹⁹⁹ Josephine C. Brown, *Public Relief: 1929-1939*, (New York, NY: Octagon Books, 1971), 249.

²⁰⁰ Michael B. Katz, *In the Shadow of the Poorhouse: A Social History of Welfare in America*, (New York, NY: Basic Books, Inc., 1986), 199.

²⁰¹ *Ibid.*, 229.

programs to cover a larger segment of the population.²⁰² Meanwhile, he held that private agencies were crucial to covering the needs of the individuals who were being ignored or were ineligible for federal or state work relief.²⁰³ Charles Taft, the chairman of the 1938 mobilization of the Association of Community Chests and Councils, criticized the WPA for being unable to support over 800,000 unemployed men who were in healthy, working condition but did not qualify for the program. The Association also advocated for more efficiency in the government's programs and supported a broader distribution of funds to cover all needy individuals.²⁰⁴ Joseph M. Proskauer, the president of the Federation for the Support of Jewish Philanthropic Societies, argued for continued private philanthropy because federal programs lacked private relief's spiritual benefits: "Poverty leaves a deeper mark than mere starvation and cold; it warps family life; it perverts and twists human nature; it sickens the soul as well as the body. And to render true human welfare we need the individual touch that private philanthropy offers, even in relief work itself,"²⁰⁵

Private Giving During the New Deal

Like Hoover, FDR exhorted Americans to give to their local charitable institutions as a way to combat the Depression. Roosevelt regularly spoke before associations of charitable groups like the Association of Community Chests and Councils. He frequently emphasized a partnership between public and private agencies in

²⁰² Joan M. Crouse, *The Homeless Transient in the Great Depression: New York State, 1929-1941*, (Albany, NY: State University of New York Press, 1986), 205.

²⁰³ Ibid.

²⁰⁴ "Needs Parley Hits Roosevelt Relief," *The New York Times*, March 12, 1938, 7.

²⁰⁵ "Social Work Vital, Proskauer Holds," *The New York Times*, January 7, 1935, 8.

response to the Depression at these events. These sentiments are readily apparent in an October 14, 1938 radio address directed to community chest leaders in the United States:

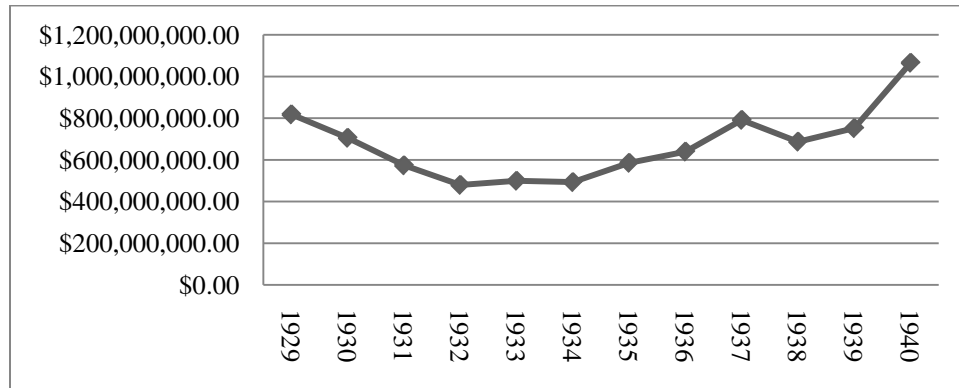
Private community effort is not contradictory in principle to government effort, whether local, State, or national. All of these are needed to make a partnership upon which our nation is founded. [...] Community leaders have met the challenge of changing conditions. They are not looking backward with resentment against the government. They have welcomed the acts of their government as a liberation of their efforts, as an opportunity to move forward on the front of social progress. [...] I call upon the American people to fall in behind such leadership and to widen the social horizon.²⁰⁶

While FDR supported the activities of private agencies, their efforts did not figure prominently into the New Deal's relief strategy. It is a matter of debate as to whether private relief efforts collapsed as a result of increased federal spending from the New Deal or from being overextended in the first three years of the Depression.²⁰⁷ Community chest and private foundation giving both decreased significantly during the course of the New Deal. Individual giving numbers, which fell off in the first two years of the Depression, began to slowly inch upward after 1934, but they did not fully recover until 1940 when the nation began moving towards the Second World War. Community chest and private foundation giving remained stagnant through the New Deal period of the Depression.

²⁰⁶“President Hails Private Agencies as Essential to Relief,” *The New York Times*, October 15, 1938, 19.

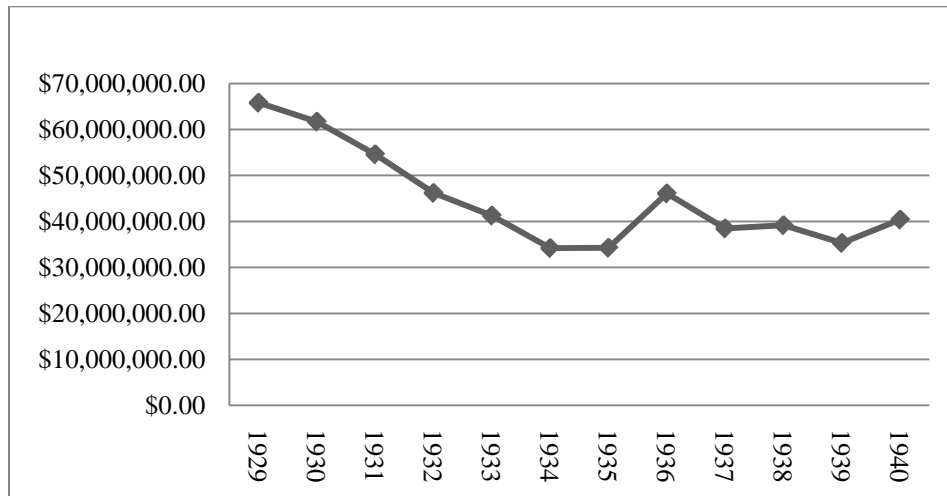
²⁰⁷ It has been suggested by such texts as (cite) that increased government spending can “crowd-out” private charitable efforts. The Hungerman and Gruber article mentioned later in this chapter theorizes that New Deal spending crowded-out giving in churches during the Depression.

Figure 10: Total Charitable Contributions (IRS Reported), 1929-1940



Source: John Price Jones (ed.), *The Yearbook of Philanthropy: 1945-46*, (New York, NY: The Inter-River Press, 1946), 3.

Figure 11: Private Foundation Grant Allocations, 1929-1940



Source: John Price Jones (ed.), *The Yearbook of Philanthropy: 1945-46*, (New York, NY: The Inter-River Press, 1946), 3.

The New Deal had a variety of effects on private relief efforts in the United States. Some private agencies and leaders were absorbed into the New Deal's public relief system. Other agencies simply went out of business while some either changed their mission focus or emphasized different service components that the government programs might have lacked. The end result of these changes was a dramatically reduced footprint for private agencies in the nation's relief efforts. Between 1929 and 1939,

private relief spending in the nation's urban areas had declined from constituting around 24 percent of all such activities to only 1 percent.²⁰⁸

A recent economic study, conducted by Jonathan Gruber and Daniel Hungerman, indicated that New Deal spending had a negative effect on giving among Christian denominations.²⁰⁹ In 1926, three years before the beginning of the Depression, religious expenditures, disregarding upkeep and maintenance costs, outstripped state and local government poor relief spending by \$90 million.²¹⁰ Gruber and Hungerman's study found a negative causal relationship between federal government charitable spending and the rates of giving among Christian congregations. When federal government spending increased, the per capita charitable giving average for six sampled Christian denominations fell by a third between 1926 and 1936. The study confirmed this relationship by comparing the giving rates of churches in states of high New Deal spending against the giving rates of churches in states of low New Deal spending. In states where New Deal spending was high, churches saw the abovementioned decline in their fundraising levels. Meanwhile, churches in states where New Deal spending was low did not see the same decline in giving rates.²¹¹

As charitable giving declined, some private agencies sought support from the government to continue operations. In the first few months of the New Deal, private relief agencies qualified for government support. For example, in the beginning months of the New Deal, 25 private agencies of the Family Welfare Association of America received

²⁰⁸ Josephine C. Brown, *Public Relief: 1929-1939*, (New York, NY: Octagon Books, 1971), 415.

²⁰⁹ Jonathan Gruber & Daniel M. Hungerman, "Faithbased charity and crowd-out during the great depression," *Journal of Public Economics* 91 (2007): 1043-1069.

²¹⁰ *Ibid.*, 1044.

²¹¹ *Ibid.*, 1064-1065.

either a majority or all of their funding from the federal government.²¹² Legislation passed later in the year ended this direct public support for private agencies.

Organizations, cut off from government funds and unable to raise their own philanthropic support, had two options available to them. Firstly, they could become public agencies themselves. This conversion occurred either by the organization's executive director being hired on by the state or federal government or by the organization itself being absorbed in its entirety into a government entity.²¹³ Secondly, private agencies could receive public funding by creating separate public relief divisions that were affiliated but lacked the private agencies' potentially sectarian or discriminatory practices.²¹⁴

However, many private agencies were unable to obtain government funding and those organizations that specialized in relief activities had to redefine their roles in an environment in which the federal government took the lead role in such work. Josephine Brown noted in her book, *Public Relief 1929-1939*: "Having been forced to recognize, in 1932 and 1933, that private agencies could not carry the load of unemployment relief, they [private family welfare agencies] relinquished the responsibility to public agencies and entered upon a period of readjustment [...]."²¹⁵ To be sure, as federal spending in social welfare increased, private agencies emphasized other benefits that private relief provided besides just a simple meeting of human need. Proskauer's comments, noted earlier, provide one example of how private agencies emphasized the intangible benefits of the private response.

²¹² Josephine C. Brown, *Public Relief: 1929-1939*, (New York, NY: Octagon Books, 1971), 187.

²¹³ There are some indications that this private agency movement towards government support began much earlier than the New Deal. As noted in the third chapter of this text, the Indianapolis Employment Bureau had sought to become a government agency as early as 1931.

²¹⁴ Josephine C. Brown, *Public Relief: 1929-1939*, (New York, NY: Octagon Books, 1971), 188-189.

²¹⁵ *Ibid.*, 414.

Indianapolis Foundation: 1934-1940

In the case of the Indianapolis Foundation, the institution's giving patterns stabilized significantly for the remainder of the Depression, after the initial push for increased private response had ended with FDR's election. For the rest of the decade, the Foundation's assets steadily grew and its yearly giving levels hovered between \$100,000 and \$110,000. In terms of its focused giving, the Foundation continued its 1930-1932 patterns in which it directed the majority of its funding to its pre-existing programs while providing a significantly smaller amount of support to new start-ups. Much of the Foundation's spending during these years went to organizations that addressed Indianapolis' healthcare and educational needs.

While the period between the Foundation's founding in 1916 and 1932 was marked with few leadership changes in the Foundation board, the organization experienced a score of such changes between 1933 and 1937 - affecting each of the trustee positions. As noted in the previous chapter, J.K. Lilly's resignation and Fr. Francis Gavisk's death in 1932 opened up the first vacancies on the board since 1918. Both men were replaced by Walter Meyers and Thomas Sheerin respectively. In 1934, original board member Louis Levey died. The vacancy prompted the return of J.K. Lilly to the board. Two more of the Foundation's board positions opened up in the following two years with the passing of two more of the Foundation's original board members, H.H. Hornbrook (1935) and Henry Bennett (1936). Eugene C. Miller replaced Hornbrook on the board and would hold the position throughout the remainder of the decade. Bennett's position was filled by G.A. Efroymsen who moved from his Circuit Court-appointed

position in 1936.²¹⁶ Efroymsen's vacant position was briefly occupied by then Indiana Governor Paul McNutt (1933-1937). McNutt resigned the position after FDR appointed him to be the United States' High Commissioner to the Philippines in 1937. Kenneth K. Wooling was appointed to fill out the remainder of McNutt's term on the board. A full timeline of the Foundation's board occupants can be seen below. Of the six original trustees, only J.K. Lilly was still on the board in 1940. Efroymsen and Lilly were the only two board members who held a near-continuous tenure throughout the entire Depression.²¹⁷

Coming out of the first three years of the Depression, the Indianapolis Foundation was in fairly strong financial condition. The Foundation's trusts generated \$116,730 income in 1934, of which \$91,565.47 was distributed. This income came from a combined asset base of \$2,539,000. The majority of the asset base was derived from seven individual trust accounts, each with \$40,000 or more of assets: Alphonso P. Pettis (\$300,000), Delavan Smith (\$822,500), James E. Roberts (\$1,175,000), James E. Lilly (\$51,000), Edwin Rynearson (\$59,500), Arthur Newby (\$40,000), and the trust of an anonymous donor (\$50,000).²¹⁸

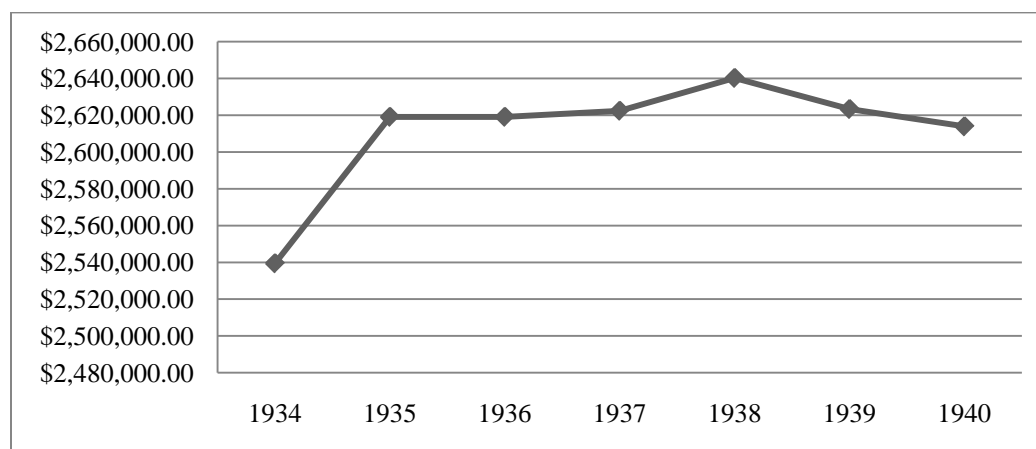
²¹⁶ Efroymsen's board tenure was not renewed by the Circuit Court judge after his six year term expired in 1936. Instead he was appointed to fill Bennett's open position (an appointment of the Second Federal Court Judge).

²¹⁷ "January 21, 1938 Board of Trustees Minutes," MSS49 Board of Trustees, Minutes, 1938 (1), 5/1. Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1938 (1)" Box 5, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

²¹⁸ "Report for the Year Ending December 31, 1934," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1934" Box 4, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

The Foundation's account holdings grew slightly during the next six years. By 1938, the Foundation's trusts totaled \$2,640,250.²¹⁹ The asset base then fell slightly to \$2,613,922.22 between 1938 and 1940.²²⁰ This decline resulted from the board of trustees expending some of the Foundation's principal assets in 1939 and 1940 as part of the wishes of two of its donors, Arthur Newby and the anonymous donor. Both donors had designated that the principal of their gifts should be used for disbursements. The Pettis, Smith, and Roberts trusts continued to constitute the core of the Foundation's holdings through the 1930s. However, the Foundation's trust holdings diversified significantly during the latter half of the decade. By 1937, the Foundation oversaw sixteen separate trusts, fourteen of which generated revenue for grant disbursements.²²¹

Figure 12: Indianapolis Foundation, Total Trust Assets, 1934-1940



Source: Indianapolis Foundation Annual Reports for 1934-1940, also titled "Report for the Year Ending..." Boxes 4-6, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

²¹⁹ "Report for the Year Ending December 31, 1938," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1938 (1)" Box 5, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

²²⁰ "Report for the Year Ending December 31, 1940," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1940" Box 5, Folder 5, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

²²¹ "Report for the Year Ending December 31, 1937," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1937 (1)" Box 4, Folder 5, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

The primary recipients of the Foundation's grant funding remained predominantly healthcare and educational institutions (via scholarship funds). For example, in 1934, well over a third of the Foundation's \$91,564.47 in disbursements went to healthcare agencies, with some of the key grants being a \$5,916.67 gift to St. Margaret's Hospital; \$7,500 to maintain four nurses via the Public Health Nursing Association; \$16,411.88 for the James E. Roberts School for Crippled Children; \$3,497.58 to the City Board of Health to provide dental clinics in Indianapolis; and \$1,500 to the Indianapolis Flower Mission Society for hospital construction costs. The Indianapolis Community Fund continued to be a major recipient of Foundation funds with over \$20,000 in grant funding in 1934 (including another recorded \$15,000 to cover 1933 commitments and a pre-payment on the Foundation's 1935 commitments). While the Foundation provided only \$6,800 in scholarship funding in 1934, this disbursement rose considerably over the next few years.²²²

In 1935, the Foundation increased its giving levels for a number of its regular recipients. The Indianapolis Community Fund's disbursement moved to \$25,000 a year. Scholarship disbursements doubled to \$13,575, and the Indianapolis Orphans Asylum received a large \$15,000 disbursement. In addition, the Foundation increased its funding to the James E. Roberts School for Crippled Children to \$17,182.91.²²³ These high funding levels to existing organizations remained in place throughout the rest of the decade with few new additions. A 1936 grant of \$9,500 to the Christamore Settlement to

²²² "Report for the Year Ending December 31, 1934," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1934" Box 4, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

²²³ "Report for the Year Ending December 31, 1935," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1935" Box 4, Folder 2, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

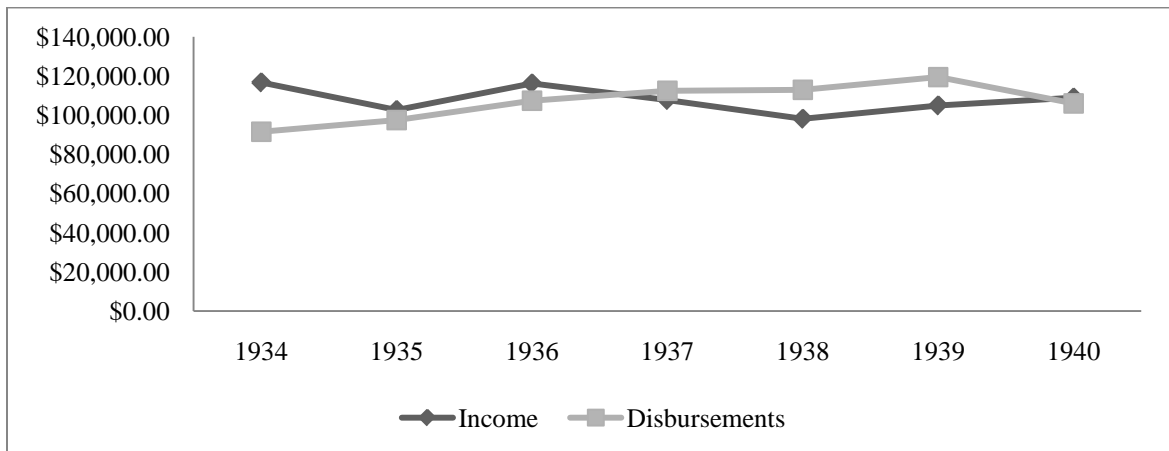
fund a summer camp for poor children, and a continuing annual grant of \$5,000 to the Indiana State Symphony Society are the two notable grants to new organizations during the latter half of the decade. Aside from funding a small group of new recipients, the Foundation continued to fund old programs. The Indianapolis Community Fund received its regular, yearly disbursement of \$25,000 through 1939. Scholarship disbursements rose to constitute over \$17,000 of all disbursements by that same year.²²⁴ In addition to these organizations, the large recipients of Foundation funds during 1934 (St. Margaret's Hospital, the City Board of Health, School for Crippled Children, etc.) continued to receive funding throughout the rest of the 1930s.

The Foundation did demonstrate two notable changes in funding behavior between 1934 and 1940. Firstly, the Foundation partnered with the state of Indiana to provide funding to the John E. Roberts School for Crippled Children. While the Foundation provided grant support to the school, the state also reimbursed the Foundation for part of the funding that it provided. This exchange of funds had never been conducted before in the Foundation's history. Secondly, in 1934, the board authorized spending from its principal asset holdings as the Foundation paid allocations out the trust holdings of Arthur Newby and the anonymous donor. In 1939 and 1940, the Foundation disbursed a combined total of \$29,000 from its principal asset base to fund programs.²²⁵

²²⁴ "Report for the Year Ending December 31, 1939," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1939 (1)" Box 5, Folder 3, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

²²⁵ "Report for the Year Ending December 31, 1938," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1938 (1)" Box 5, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.; "Report for the Year Ending December 31, 1939," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1939 (1)" Box 5, Folder 3, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Figure 13: Indianapolis Foundation, Trust Income and Disbursements: 1934-1940



Source: Indianapolis Foundation Annual Reports for 1934-1940, also titled “Report for the Year Ending...” Boxes 4-6, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Indianapolis Foundation Grantmaking Trends: 1934-1940

From all indications, the New Deal did not have a negative effect on the Foundation’s asset holdings, receipts, and disbursements. The Foundation’s asset base held strong throughout the Depression and generally gained ground. Its disbursements also rose steadily. However, the Foundation’s income fluctuated heavily. These fluctuations as well as the intent of two donors, led the Foundation to dip into its own principal assets to increase disbursements in 1939 and 1940.²²⁶ Besides private revenue, the Foundation also received funding from the state of Indiana for its support of the James E. Roberts School for Crippled Children. This state support was quite substantial for some years. For example, in 1938, the foundation’s asset base generated \$84,715.15 in revenue for disbursement while the state provided \$13,428.88.²²⁷

²²⁶ “Report for the Year Ending December 31, 1939,” Indianapolis Foundation, “MSS49 Board of Trustees Minutes, 1939 (1)” Box 5, Folder 3, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

²²⁷ “Report for the Year Ending December 31, 1938,” Indianapolis Foundation, “MSS49 Board of Trustees Minutes, 1938 (1)” Box 5, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

During the first half of the decade, the Foundation's decision making was hampered by a lack of disburseable funds. This situation led the Foundation to support pre-existing programs while it avoided creating new funding obligations. Even after the Foundation's trust income recovered with the inclusion of the Pettis fund in 1933, its grantmaking activity remained similar. Throughout the latter half of the decade, the Foundation continued to provide a majority of its support to programs that were already underway and had a history of Foundation funding (James E. Roberts School for Crippled Children, Indianapolis Community Fund, etc.). Between 1934 and 1940, the Foundation supported between one to two new organizations, outside of the Foundation's traditional funding pattern, each year. Two examples of this funding pattern are the Foundation's gifts to Christamore Settlement in 1936 and a capital gift to construct an Indianapolis YWCA building in 1937.²²⁸ These funding allocations to new organizations were primarily limited to building projects and other short-term goals. The Indianapolis Foundation's main grantmaking response to the Depression seemed to be its increased funding to the community chest, which served as the primary, private funder of social service organizations in the city.

The Indianapolis Foundation provided funding to health-related causes, scholarships, and the Indianapolis Community Fund almost exclusively. The board retained some interest in funding civic programs like parks, but the majority of the funding went to healthcare. The Foundation board used the Indianapolis Community Fund gift as a "catch-all gift" for all other organizations that did not receive direct grant

²²⁸ However, it should be noted that both organizations had received support from the Foundation in the past. So, even these two gifts were not made to new organizations per se. See Appendix A for more information on the Indianapolis Foundation's yearly giving trends.

support. For example, the board refused a funding request from the Red Cross because the Indianapolis Community Fund already provided support to that organization. This action implies the Foundation board did not want to duplicate funding support with other private institutions. Much of the Foundation's funding also went to programs or organizations with a connection to the Foundation's donors (James E. Roberts, Alphonso Pettis, etc.). For instance, Pettis funds were used predominantly for the Pettis scholarships. Roberts funding went to support the John E. Roberts School for Crippled Children, the John E. Robert Appliance fund, and similarly designated scholarship funds.

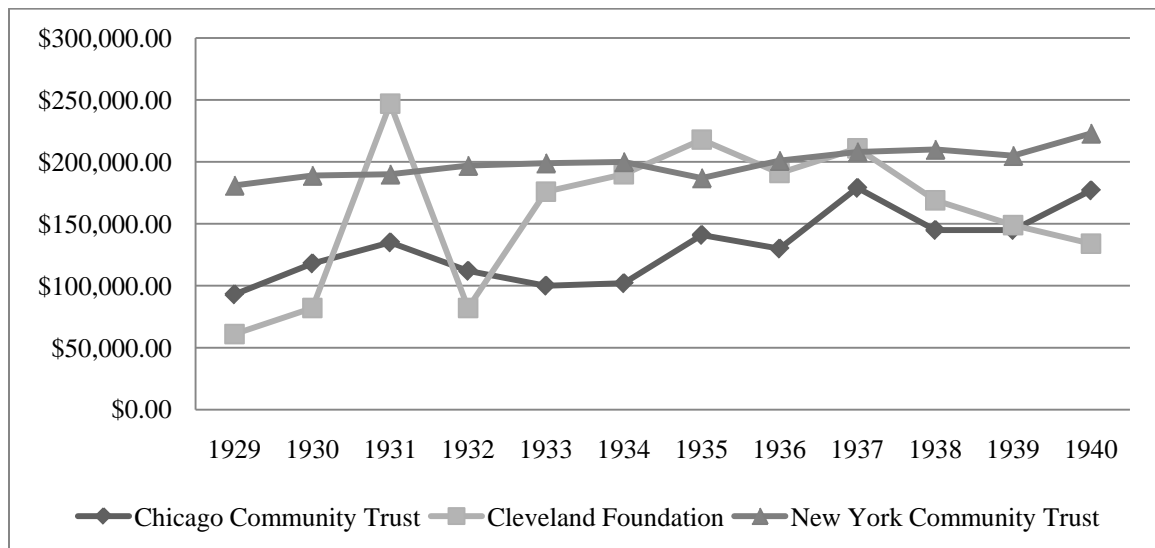
As noted in the fourth chapter, the Board of Trustees documents make no mention of possible reactions of the Indianapolis Foundation to the New Deal. It is possible the New Deal aided the Foundation by creating publicly-funded programs that replaced private agencies which the Foundation no longer needed to support (i.e. Indianapolis Employment Bureau). The Foundation cut its funding to work-relief programs like the Indianapolis Employment Bureau and Indianapolis Emergency Work Committee in 1933. It is also possible that the Foundation responded to the latter half of the Depression by focusing on areas avoided by government and community chest funding.

General Community Foundation Trends: 1934-1940

Three of the largest community trusts in the country from 1929-1940, Chicago, New York, and Cleveland, attempted to maintain high giving level throughout the Depression. Cleveland (as shown in Figure 14) was not as successful as the Chicago and New York community foundations in accomplishing this task. While disbursements certainly did not rise across the board uniformly, these three prominent community trusts

set a general trend of either increasing or maintaining their disbursement levels throughout the Depression.

Figure 14: Disbursements from Three Prominent Community Trusts, 1929 and 1940



Source: John Price Jones (ed.), *The Yearbook of Philanthropy: 1945-46*, (New York, NY: The Inter-River Press, 1946), 74.

The Depression served as a damper on new community foundation activity. Foundations started during this time period were largely unable to grow. Only 21 community foundations formed during the Depression. Of that number, a quarter either closed or became inactive by the time the National Council on Community Foundation's (NCCF) conducted its follow-up survey to the ABA's 1930 community foundation study. The NCCF study found that only four of the foundations (three in the United States and one in Canada) had been able to raise over a \$1 million in assets by the survey's publication (1961).²²⁹ Older foundations, like the ones in Indianapolis, Chicago, New York, and Cleveland, did better in weathering the storm.

²²⁹ Wilmer Shields Rich, *Community Foundations in the United States and Canada 1914-1961*, 2nd ed. (New York, NY: National Council on Community Foundations, Inc., 1961), 12.

Frank Loomis' book on the Chicago Community Trust implies that providing funding and technical support to the local community chest was a common response to the Depression on the part of the community trusts, not limited to the Indianapolis Foundation.²³⁰ Loomis' book also indicated that the Chicago Community Trust's asset base, like the Indianapolis Foundation, weathered the Depression with few problems. "Through all the hectic years of the depression we had suffered little capital loss," wrote Loomis, "and that little was quickly regained in the prosperous years of the 1940's."²³¹

The End of the Depression and the Second World War

The Second World War effectively ended both the Depression and the stagnant giving environment of the 1930s. The need for increased industrial production fueled by the war effort quickly eliminated the nation's unemployment problem. On the philanthropic front, the War provided a new cause to rally the country's charitable resources. Community chests saw a severe decline in their fundraising efforts during the Depression in part because they had lost their philanthropic mission: supporting private relief agencies. By 1934, much of the private programs which had responded to the Depression had been replaced by government work relief programs. Without a private relief effort to support, community chests did not have a dominant fundraising cause. The arrival of the Second World War provided community chests with a new cause: War Funds. Armed with this new purpose, community chests across the United States quickly surpassed their 1932 fundraising records by raising funds for the war effort.

²³⁰ Frank Denman Loomis, *The Chicago Community Trust: A History of Its Development 1915-62*, (Chicago, IL: The Chicago Community Trust, 1962), 22.

²³¹ *Ibid.*, 23.

Job recovery came quickly with the United States' entry into the war. In 1941, U.S. unemployment dropped below 10 percent for the first time in nearly a decade. In the first full year of World War II, 1942, national unemployment dropped below five percent and, by the end of the next year, unemployment had fallen to two percent.²³² The bolstered economy and the need for funding to support the war effort boosted charitable giving.

Between 1940 and 1943, yearly private charitable contributions rose from \$734 million a year to \$1.8 billion a year. In that same time period, total charitable giving (which included foundation giving, bequests, individual giving, etc.) doubled from \$1 billion to \$2.1 billion.²³³ Community Chest giving exceeded its 1931 and 1932 records between 1942 and 1944 as community chests collected private War Fund donations. In 1942, twenty-nine of the nation's largest community chests collected and distributed \$66.9 million in funding. This amount rose to \$82.5 million by 1944. In each of these years, well over a quarter of the community chests receipts were designated for War Funds.²³⁴ Contributions to War Funds went to support the operations of the USO and other war relief agencies. These drives were heavily supported by FDR, who gave speeches encouraging people to give.²³⁵

²³² Bureau of Labor Statistics, "Employment status of the civilian non-institutional population, 1940 to date," *Household Data Annual Averages*, <ftp://ftp.bls.gov/pub/special.requests/lf/aat1.txt>.

²³³ Numbers for individual charitable giving are derived from IRS reported individual giving... John Price Jones (ed.), *The Yearbook of Philanthropy: 1945-46*, (New York, NY: The Inter-River Press, 1946), 3.

²³⁴ *Ibid.*, 71.

²³⁵ "President is heard in War Fund's Plea," *The New York Times*, October 6, 1943, 1.

The New Deal and Community Foundations: A Period of Stabilized Giving

After surviving the initial shock of the Depression, community foundations stabilized their grant making work for the rest of the decade. The Indianapolis Foundation, for example, focused its work on only the organizations with which it had pre-existing relationships. Community foundation assets remained stable throughout the Depression. Disbursements generally fluctuated with available revenue, but some foundation boards dipped into their organizations' principal assets to maintain stable giving patterns. In the case of the Indianapolis Foundation, the board used the Foundation's principal assets to keep its funding levels above \$100,000 a year. The public-private partnership that developed among relief agencies during the New Deal was also mirrored to some extent by community foundations. For example, the Indianapolis Foundation partnered with the state of Indiana to provide joint funding to the James E. Roberts School for Crippled Children. These trends within the Foundation, and in other community foundations, will be explored further in the next chapter.

CHAPTER SIX

AN ANALYSIS OF THE COMMUNITY FOUNDATION RESPONSE TO THE GREAT DEPRESSION

The giving patterns of community foundations during the Great Depression provide insights into how institutional funders react to the worst possible economic conditions. The period provides a unique environment in which the public-private partnership of social service delivery was in its infancy and private agencies bore much of the relief burden for the country. An analysis of this economic event and the community foundation response to it yields a number of observations and insights that can prove educational to nonprofits coping with similarly rough economic environments.

The first notable observation of the community foundation response to the Depression is the general resiliency of these institutions' asset holdings during the course of the economic downturn. Certainly, community foundations did not record the blockbuster growth in their principal assets that they had seen in the 1920s. However, they did not suffer massive losses either. As Frank Loomis noted in his history of the Chicago Community Trust: "Through all the hectic years of the depression we [the Chicago Community Trust] had suffered little capital loss."²³⁶ This statement would have accurately described the state of the Indianapolis Foundation during the same time period. Throughout the entire Depression, the Indianapolis Foundation maintained its 1928 asset base of around \$2.2 million. It even added an additional \$300,000 to its holdings during the 1930s (a growth rate of almost 14 percent).

²³⁶ Frank Denman Loomis, *The Chicago Community Trust: A History of Its Development 1915-62*, (Chicago, IL: The Chicago Community Trust, 1962), 23.

To be sure, the Indianapolis Foundation did suffer declines in its yearly interest income in the 1930s. Some years, the Foundation received less than \$85,000 in trust income while it made over \$100,000 in disbursements (1938).²³⁷ However, even these declines in revenue did not result in major losses to the Foundation's principal assets. A combination of board policies and community foundation characteristics made this stability possible. Community foundation funds were administered very conservatively (fiscally-speaking). The Indianapolis Foundation's disbursements constituted a small percentage of its total assets. For example, its disbursements in the latter half of the 1930s equaled around 4 percent of its asset base each year. The Foundation's board of trustees only allocated disbursements from available trust income and deferred payments on grants until such income was available. Its decision to put off the Foundation's 1932 Indianapolis Community Fund payments until the trust income was available is a prime example of this practice.

The Foundation's trust funds were also invested very conservatively with almost the entire portfolio anchored in government, transportation, and utility company bonds. While such investments yielded lower interest rates (between 3.5 and 6 percent annually), they were not exposed to price volatility present in stock securities.²³⁸

²³⁷ "Report for the Year Ending December 31, 1938," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1938 (1)" Box 5, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

²³⁸ One of the reasons why the Indianapolis Foundation's asset based fared so well in the midst of the Depression was because its trust funds were anchored in fairly conservative investment vehicles: mortgage loans and bonds. A quick perusal of the 1936 issuance of the "Report of an Examination of the Records of the Indianapolis Foundation For the Year, 1936" conducted by CPA Lawrence Carter, indicates that the vast majority of the Delavan Smith account was invested in bonds and mortgage holdings. Many of the bonds were from large utilities or transportation companies (i.e. water services and railroad companies). Furthermore, the Smith account was also heavily invested in government treasury bonds and some foreign government securities (bonds). The lowest percentage annual yield was three percent (\$20,000 in federal land bank bonds) while the highest percentage annual yield was six percent (Fletcher Savings Mortgage Certificates, East St. Louis Interurban Bond). This investment strategy was duplicated across the entire

Later in the 1930s, the board made payments out of the Foundation's principal assets. However, the trustees only allocated principal-backed disbursements from trust funds that allowed such activity via donor designation. Furthermore, the board only allocated \$10,000 to \$12,000 a year from these trusts: less than half a percent of the entire \$2.6 million corpus.

Community foundations were also able to maintain their trust holdings by attracting new bequests and donations. Between 1932 and 1938, the Indianapolis Foundation attracted over \$300,000 in additional trust funds from 10 smaller donors, which was added to the \$2.2 million already available through the big three trust funds (the Pettis, Roberts, and Smith funds). As noted in the first chapter, the community foundation served a key function in the local area by providing a place to deposit philanthropic dollars from moderately wealthy local businessmen. Such was the case with the Indianapolis Foundation, which was able to attract the philanthropic support of some of Indianapolis' most prominent businessmen even during the course of the Depression; men like James E. Lilly, Edwin Rynearson, and Arthur Newby. The Foundation's ability to attract these dollars directly aided its efforts to protect its own asset base during the Depression.

The community foundations' tendency to maintain a stable level of giving throughout the course of the Depression is another noticeable trend born out in the preceding narrative. As noted in the fifth chapter, the Chicago Community Trust and New York Community Trust regularly increased their giving levels throughout the

Indianapolis Foundation portfolio. Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1936 " Box 4, Folder 3, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Depression. In the case of the Cleveland Foundation, the organization posted increased giving levels between 1929 and 1931 and again between 1933 and 1937, with decreased giving in between. Like community chests, community foundations increased their giving at the beginning of the Depression. The Indianapolis Foundation specifically maintained a stable \$100,000 (or more) disbursement level throughout the 1930s, after hitting its giving low in 1932. However, it suffered a unique cash flow problem with the Pettis fund dispute from 1929 to 1933 which explains why it was unable to match the general trend experienced by the other large community foundations of the decade.

The Indianapolis Foundation also exhibited a general trend of giving primarily to community organizations that did not receive funding already from the Indianapolis Community Fund. Community chest funds were distributed to a wide array of private agencies while community foundation dollars went to a smaller group of agencies and individuals.²³⁹ Foundation funds generally supported local surveys, demonstration projects, and programs of particular interest to donors. Community chests, on the other hand, provided support to a much broader range of private organizations. The Indianapolis Foundation's grants went primarily to affiliated local programs that were not receiving funding already from the Indianapolis Community Fund. The Foundation maintained a regular history of declining grant requests from organizations that received funding from the Community Fund.

²³⁹ The "giving to individuals" component, i.e. scholarships, might also be a differentiator between the chest and the foundation giving foci.

Community chests were the primary philanthropic actors in the private response to the Depression. They were also the recipients of choice for those donors and institutional funders that wanted their dollars to support Depression relief efforts. Hoover demonstrated his support for community chests when he actively campaigned on their behalf nationwide and incorporated them into his POUR fundraising campaigns of 1931 and 1932. FDR also recognized the usefulness of these organizations in providing private aid to supplement publicly-funded programs. The Indianapolis Foundation responded to the Depression by steadily increasing its funding to the community chest. By the end of the 1930s, nearly 25 percent of the foundation's budget was disbursed to the chest on an annual basis. Other community foundations worked to bolster chest efforts in their cities. For example, the Chicago Community Trust supported the local Chicago community chest by providing both leadership support (from its board) and financial support.

Donor intent played a key role in community foundation giving decisions. Many of the Indianapolis Foundation's projects began with its donors and bequests. The notable examples mentioned in this thesis were the James E. Robert's School for Crippled Children, which grew out of funding for nurses from the Robert's trust; the Alphonso Pettis Scholarship funds; and the Delavan Smith Athletic Field (a massive \$100,000 funding project). Since trust income was limited throughout the 1930s, donor specified projects received a large percentage of the funding from the Foundation. To some extent, this donor focus took the guesswork out of deciding which programs to fund in the Depression. A large chunk of the budget was already determined.

The emphasis that community foundations placed on donor intent was both beneficial and detrimental to their operations. The ability to attract wealthy businessmen

as donors was a positive effect of this emphasis. Ensuring that a trust was used effectively, in accordance with a donor's wishes, was at the core of a community foundation's work. This service appealed directly to businessmen, who provided a stable source of funding to community foundations. While trusts were the lifeblood of community foundations, they also subject to legal challenges. For example, the Pettis heirs were able to contest the Pettis trust nearly seven years after the initial gift was made to the Indianapolis Foundation.

The Depression and legal challenges placed numerous restrictions on the Indianapolis Foundation's trust income. Donor intent further restricted the use of available funding to the Foundation's pre-existing programs and projects. The Indianapolis Foundation's grantmaking activity during the Depression indicates that the organization became more focused as the years moved on. The Indianapolis Foundation's efforts to cut its obligations in chapter four provide an example of what considerations community foundations went through to ensure they achieved impact with their dollars. For example, the Foundation continued to fund the Indianapolis Employment Bureau to provide employment assistance in the absence of a local city program. The Foundation also continued funding to a select group of organizations at reduced levels to keep them operational while the community chest was unable to provide funding (St. Margaret's Hospital Guild, the Orphan's Asylum, etc.). The Foundation limited its poor relief and social service funding to the Indianapolis Community Fund and focused on supporting its created programs and projects from the end of the 1920s. In addition to these funding decisions, the Foundation staff also cut their salaries by 10 percent.

The community foundation focus on addressing a particular mission through giving was also seen in community chests during the Depression as well. Nationally, community chests switched their giving priorities from character-building and non-relief agencies in favor of funding private relief efforts almost exclusively. This emphasis on private relief funding hurt the community chests when the federal government took over these efforts in 1933. Chest fundraising levels then dropped off for the rest of the decade. Chests regained their giving focus in the beginning of the Second World War with the War Fund drives and saw a subsequent rise in their fundraising efforts.

Donor intent and mission-focused giving might have had another role in driving community foundation giving trends during the 1930s: both kept foundation giving levels high. As noted in chapter five, government support for relief activities led to decreased giving to community chests and other philanthropic agencies. As Josephine Brown noted, private agencies had to redefine their place in the nation's social service environment after the New Deal. However, community foundations did not lose their philanthropic mission. They predominantly supported programs that were outside the scope of relief, which was a funding area left primarily to the community chest. Furthermore, the fixed asset base ensured that they could continue to give at stable levels while declined giving to community chests led to their lower disbursement levels.

These observations can provide a number of educational lessons for nonprofits operating in similarly tough economic conditions. However, while considering the potential lessons that can be learned from this historical case study, it is important to keep in mind the limits of historical analysis. The nation's economic, social, and political environments change from decade to decade, century to century. For example, it would

be nearly impossible to compare endowment investment strategies between today and the 1930s since there are major differences in how the two markets, separated by seventy years, function. Of particular note for this paper: it must be acknowledged that today's nonprofit sector operates very differently from the one in the Great Depression. However, with these caveats noted, some general insights can be drawn from the Indianapolis Foundation case study.

The Depression generated three problems for funders and grantmakers which are generally applicable across historical periods. Namely, the economic downturn created (1) a dramatic increase in requests for support from organizations unaffiliated with an institutional funder, (2) an increased need of support from previously-supported organizations that were facing funding shortfalls elsewhere, and (3) significant monetary shortfalls on the funding side that severely limited a grantor's capacity to give. These challenges are just as relevant to grantmakers dealing with later economic recessions. An economic downturn generally always creates a greater demand for philanthropic dollars on the part of nonprofits (generated from an increase in demand for nonprofit services). Depending on the nature of the recession, funders might also see their asset bases decrease to such an extent that their ability to provide funding declines at the same time that the demand for philanthropic dollars increases. This confluence of events creates an environment in which fundraisers must approach more funders within the community to replace lost philanthropic dollars. Meanwhile previously funded programs or organizations work to retain their pre-existing donors and grantmakers because it is harder to find resources elsewhere.

How did the Indianapolis Foundation respond to these challenges? The Foundation focused support only on the programs that continued the funding focus of the organization and fit funding niches in the community. It did not duplicate funding to programs that received regular operating support from other institutional funders in the city of Indianapolis. The Foundation also did not overextend itself financially. When it became apparent that the Pettis fund would be unavailable for the foreseeable future, the board limited allocations to a select few organizations that would be guaranteed funding for the next fiscal year. It then refused to make any additional long-standing obligations with other organizations. The Foundation's board was unafraid to say "no" to grantseekers. Eventually, it even rejected previously funded organizations that could not meet the Foundation's requirements of self-sufficiency. The board also looked for ways to offset its program costs, and required some of the programs (like the Indianapolis Employment Bureau) to obtain funding from outside sources or to partner with other similar private or public agencies.

This response provides a proven approach for institutional funders seeking to weather similar economic situations. With constricted endowment and trust incomes during economic recessions, community and private foundations need to stretch every philanthropic dollar to ensure that they can retain the same level of impact in the community. Becoming more mission-focused in grantmaking activities and avoiding a duplication of funding are two viable ways to make available grants dollars more effective. These two practices allowed the Indianapolis Foundation to stretch their grant funds throughout the Depression while still maintaining a presence in their previous funding areas. The Foundation board's work to safeguard the Foundation's asset base

during the Depression is also of particular value as a general practice for institutional funders trying to survive an economic downturn. For these organizations, their endowments or trust holdings are the only source of revenue that they have. Spending out of the principal of an endowment during a downturn can have crippling effects on future disbursement levels. The approach employed by the Indianapolis Foundation of spending only from the trust income and not from the principal in large amounts ensured that the organization would remain financially viable after the Depression ended.

Understanding the past reactions of funders to an economic decline can be of particular use to grantseekers and other fundraisers as well. In the case of the Indianapolis Foundation, the Depression drew the Foundation closer to the programs that it had funded in the past. The pre-existing relationships that the Foundation had with its grantees proved incredibly important to its Depression-era funding patterns since it favored supporting programs with which it had a past history. Considering this pattern, it is crucial that nonprofit organizations maintain strong connections with both their donors and their institutional partners to ensure that they can draw some form of support from them during the worst economic periods.²⁴⁰

Of final note, the Indianapolis Foundation case study provides insights into the strengths and weaknesses of donor-advised funds.²⁴¹ Modern community foundations are struggling with what role donor-advised funds should play in their fundraising strategies.

²⁴⁰ Fundraisers can likely expect to see declines in giving amounts from both their donors and institutional funders during a recession. To be sure, the Indianapolis Foundation decreased its giving levels to its partners, but it still maintained some form of support.

²⁴¹ In terms of community foundation operations, donor-advised funds are gifts given to a foundation with attached donor restrictions. These restrictions can take a number of forms. Sometimes, a donor-advised fund will provide the donor some direct power over the selection of recipients for the particular fund's disbursements. A donor-advised fund can also be as simple as a stipulation on a trust gift to a foundation that says the trust's income can only be spent for one particular giving focus or disbursed to a particular nonprofit.

Critics of donor-advised funds argue that they circumvent the spirit of community foundations which are supposed to be institutional funders created and maintained for the benefit of the entire community. However, the early history of the Indianapolis Foundation shows that donor intent played a key role in its first disbursements. Indeed, the Indianapolis Foundation case study presents an image of an early community foundation that was far more aligned with this donor-advised system of giving compared to the modern community foundation which is a more egalitarian institution. The modern community foundation can be more accurately described as a hybrid between an old community trust and a community chest. The old community foundations appealed primarily to wealthy businessmen, not to the common person, for funding.²⁴²

These general observations and lessons provide insights into how nonprofits can function in similarly harsh economic conditions. Generally, working off of the Indianapolis Foundation's model, institutional funders must focus on safeguarding their asset bases through a downturn while reorganizing their funding to more effectively use their philanthropic resources. Meanwhile, fundraisers must maintain their relationships with funders to ensure continued support through economic declines.

²⁴² See the second chapter of the thesis for additional information on the sources of community foundation funding.

CHAPTER SEVEN

CONCLUSION

This thesis began with three questions. How did community foundations respond to the Great Depression? How and why did community foundations respond differently to the Great Depression, compared to other funding sources? Finally, how can this historical community foundation response be used to provide insights and lessons for nonprofits operating in similar economic situations?

Chapters two through four of the thesis explored the first question of how community foundations responded to the Depression. The Indianapolis Foundation case study provided examples of how a large community foundation practiced conservative fiscal policies that sought to limit resource expenditures beyond the capabilities of the foundation. The case study also showed that community foundations interacted with local community chests by providing significant grant allocations. Additional historical accounts from foundation leaders like Loomis indicated that this relationship characterized community foundation/community chest relations in other cities outside of Indianapolis. General data from the *Yearbook on Philanthropy* demonstrated that largest community foundations attempted to keep their disbursement levels either at a stable or increased rate throughout the Depression.

The differing responses to the Depression on the part of community foundations, private foundations, and community chests provide an example of how the economic downturn affected each philanthropic actor differently. Community foundation actions were guided primarily by donor intent, which was an integral part to the early trust funds.

Community chest activities were more generally oriented to the needs of the private relief agencies of the community during the Depression. Community foundations maintained a consistently stable level of disbursements throughout the 1930s compared to other funding sources. Community chest giving peaked in 1932, but then fell off for the rest of the decade. Meanwhile, private foundation giving declined throughout the Depression. This stable giving on the part of community foundations can be explained by the more constant flow of funding from the trust funds. It can also be explained by the early community foundations' emphasis on donor intent. While community chests lost their purpose for raising funds (provision of relief private relief efforts) during the New Deal, community foundations did not suffer such a loss of mission because their giving was guided predominantly by a pre-existing charter and donor intent.

As noted in the sixth chapter, the community foundation response to the Depression holds a number of key lessons and insights for nonprofits operating in similar situations. The Indianapolis case study suggests that in tough economic times, funders should focus on providing support to niches within the community and avoid unnecessary funding duplication. Funders should also avoid overextending themselves financially. Conservative fiscal management was key to maintaining asset bases throughout the duration of the Depression in preparation for growth once the economy improves. This advice is just as valuable to fund seekers. Also from the Indianapolis case study: funders should look for ways to offset program costs and more efficiently use their philanthropic dollars. If another organization will fund the program, a foundation's money can go elsewhere. On the fundraising side, organizations need to make sure that they maintain

long-term relationships with their funders lest those fundraising connections disappear during an economic recession.

Aside from these directives, the general private response to the Great Depression holds a number of key lessons for how the sector should react to future economic crises. The Great Depression demonstrated that significant economic downturns require nonprofits to become more efficient. The Indianapolis Foundation's efforts not to duplicate funding and trim costs are perfect examples of this streamlining. Furthermore, private agencies that applied to the Foundation between 1929 and 1933 attempted to keep their funding requests at levels equal to or below pre-Depression funding levels while dealing with an increase in demand for services. Nonprofits simply had to do more with less.

The response efforts to the Depression also indicate that significant economic downturns (depending on severity) might warrant greater government involvement in funding relief services. Ultimately, community foundation funding was negligible compared to community chest relief spending and constituted an even more insignificant amount of relief support when compared to federal spending under FDR. Even the tens of millions of dollars that community chests raised to respond to the Depression was unable to provide support for relief organizations. In the end, the federal government had to involve itself (at the request of state, local, and private agencies) to provide substantial relief services to the nation's unemployed. Working off of this model, nonprofits will need to find ways to partner with each other and with governmental agencies to survive similar economic recessions.

Implications for Future Research and Study in this Field

The preceding narrative chapters provide new information regarding the philanthropic response to the Great Depression. However, this field of study is desperately in need of additional research. Further inquiry will need to be done into the specific philanthropic responses to the Depression. This thesis has only scratched the surface in providing an account of this response. The Indianapolis Foundation was only one of hundreds of institutional funders active during the period. There remain many stories to tell about the individual agency responses, and researching these case studies will reveal nuances in the various relief and funding activities.

There is substantial room for additional research on the other community foundations active during the Depression (most notably the foundations in Chicago, New York, and Cleveland). The thesis, while it provided an overview of community foundation giving, was primarily limited to the Indianapolis Foundation for specific examples of community foundation giving. There are differences in each community foundation's approach to the Depression outside of the generalities that have been provided through this paper.

More work can be done to explore the full effects that New Deal spending had on private philanthropy during the Depression. Hungerman and Gruber's article from the fifth chapter is one of only a few that explores this topic in any real detail. Why did community chest and private foundation giving drop off during the course of the Depression? This paper has suggested several possible theories, but this question needs to be researched further.

Final Thoughts

Community foundations played a unique role in the Great Depression. Like community chests, they were inextricably linked to the communities in which they operated. However, unlike their more egalitarian counterparts, community foundation activity operated to some extent above the direct needs of the Depression. Foundation support went to where the donor intent-driven trusts would provide funding. While this practice divorced community foundations from playing an active role in relief efforts, it provided them with opportunities to support non-relief agencies that would have otherwise closed. Perhaps this was the greatest benefit that community foundations provided during the Great Depression. They were stable repositories of community wealth which focused on filling philanthropic niches left unattended by other funders.

APPENDIX A: INDIANAPOLIS FOUNDATION GIVING TRENDS

Indianapolis Foundation, 1924 Disbursements

	Amount for the Year	Percentage of Disbursements
Grant Disbursements	\$13,310.26	63.72%
<i>Indianapolis Employment Bureau</i>	<i>\$4,000.00</i>	<i>19.15%</i>
<i>Indianapolis Community Fund</i>	<i>\$5,000.00</i>	<i>23.94%</i>
<i>James E. Roberts Nurse for Crippled Children</i>	<i>\$2,049.22</i>	<i>9.81%</i>
<i>Riley Memorial Hospital for Children, Orthopedic Brace Shop</i>	<i>\$2,000.00</i>	<i>9.57%</i>
<i>Unemployment Study 1924</i>	<i>\$261.04</i>	<i>1.25%</i>
Administrative Expenses	\$7,579.64	36.28%
Total Disbursements for 1924	\$20,889.90	100.00%

Source: "Financial Reports Attached to January Director's Report, 1925," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1925(1)" Box 1, Folder 3, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Indianapolis Foundation, 1925 Disbursements

	Amount for the Year	Percentage of Disbursements
Grant Disbursements	\$46,663.43	85.55%
<i>Indianapolis Employment Bureau</i>	<i>\$12,407.25</i>	<i>22.75%</i>
<i>Christamore Settlement Association</i>	<i>\$10,000.00</i>	<i>18.33%</i>
<i>School for Crippled Children</i>	<i>\$5,360.50</i>	<i>9.83%</i>
<i>Indianapolis Community Fund</i>	<i>\$5,000.00</i>	<i>9.17%</i>
<i>A.P. Pettis Scholarship Fund</i>	<i>\$4,949.52</i>	<i>9.07%</i>
<i>Psychiatric Social Workers City Hospital</i>	<i>\$2,621.48</i>	<i>4.81%</i>
<i>James E. Roberts Nurse for Crippled Children</i>	<i>\$2,198.00</i>	<i>4.03%</i>
<i>Sunnyside Sanatorium</i>	<i>\$712.75</i>	<i>1.31%</i>
<i>Long and Riley Hospitals</i>	<i>\$687.50</i>	<i>1.26%</i>
<i>Study of Crippled Children</i>	<i>\$563.81</i>	<i>1.03%</i>
<i>Community Welfare Institute</i>	<i>\$533.57</i>	<i>0.98%</i>
<i>Teachers Scholarships</i>	<i>\$500.00</i>	<i>0.92%</i>
<i>Educational Aid Society for Colored Orphan Children</i>	<i>\$500.00</i>	<i>0.92%</i>
<i>Psychiatric Social Work Inspection Trip</i>	<i>\$439.35</i>	<i>0.81%</i>
<i>Vocational Bureau Study</i>	<i>\$189.70</i>	<i>0.35%</i>
Administrative Expenses	\$7,884.75	14.45%
Total Disbursements for 1925	\$54,548.18	100.00%

Source: "Financial Reports Attached to January Director's Report, 1926," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1926(1)" Box 1, Folder 5, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Indianapolis Foundation, 1926 Disbursements

	Amount for the Year	Percentage of Disbursements
Grant Disbursements	\$104,228.27	92.51%
<i>Delavan Smith Athletic Field</i>	<i>\$26,500.00</i>	<i>23.52%</i>
<i>Indianapolis Employment Bureau</i>	<i>\$11,550.00</i>	<i>10.25%</i>
<i>Psychiatric Social Workers City Hospital</i>	<i>\$11,066.22</i>	<i>9.82%</i>
<i>Indianapolis Community Fund</i>	<i>\$10,500.00</i>	<i>9.32%</i>
<i>Boys' Club Association</i>	<i>\$10,000.00</i>	<i>8.88%</i>
<i>School for Crippled Children</i>	<i>\$9,905.19</i>	<i>8.79%</i>
<i>Public Health Nursing Association</i>	<i>\$4,971.50</i>	<i>4.41%</i>
<i>A.P. Pettis Scholarship Fund</i>	<i>\$4,809.44</i>	<i>4.27%</i>
<i>Board of Health - Orthodontia Clinic</i>	<i>\$4,500.00</i>	<i>3.99%</i>
<i>Sunnyside Sanatorium</i>	<i>\$3,500.00</i>	<i>3.11%</i>
<i>Board of Health - Prenatal Clinic</i>	<i>\$3,500.00</i>	<i>3.11%</i>
<i>Marion County Farm</i>	<i>\$1,492.42</i>	<i>1.32%</i>
<i>Community Welfare Institute</i>	<i>\$789.57</i>	<i>0.70%</i>
<i>Juliette Hospital</i>	<i>\$518.93</i>	<i>0.46%</i>
<i>Educational Aid Society for Colored Orphan Children</i>	<i>\$500.00</i>	<i>0.44%</i>
<i>Sight Conservation Class</i>	<i>\$125.00</i>	<i>0.11%</i>
Administrative Expenses	\$8,438.85	7.49%
Total Disbursements for 1926	\$112,667.12	100.00%

Source: "Financial Reports Attached to January Director's Report, 1927," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1927(1)" Box 2, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Indianapolis Foundation, 1927 Disbursements

	Amount for the Year	Percentage of Disbursements
Grant Disbursements	\$126,684.57	93.68%
<i>Delavan Smith Athletic Field</i>	<i>\$50,382.19</i>	<i>37.26%</i>
<i>Indianapolis Employment Bureau</i>	<i>\$12,501.10</i>	<i>9.24%</i>
<i>Indianapolis Community Fund</i>	<i>\$11,750.00</i>	<i>8.69%</i>
<i>School for Crippled Children</i>	<i>\$10,215.77</i>	<i>7.55%</i>
<i>Delavan Smith Scholarships</i>	<i>\$7,800.00</i>	<i>5.77%</i>
<i>Psychiatric Social Workers City Hospital</i>	<i>\$6,959.00</i>	<i>5.15%</i>
<i>Indianapolis Free Kindergarten and Children's Aid Society</i>	<i>\$5,978.98</i>	<i>4.42%</i>
<i>Public Health Nursing Association</i>	<i>\$5,830.12</i>	<i>4.31%</i>
<i>Board of Health - Prenatal Clinic</i>	<i>\$4,500.00</i>	<i>3.33%</i>
<i>Sunnyside Sanatorium</i>	<i>\$3,000.00</i>	<i>2.22%</i>
<i>Board of Health - Orthodontia Clinic</i>	<i>\$3,000.00</i>	<i>2.22%</i>
<i>A.P. Pettis Scholarship Fund</i>	<i>\$2,375.56</i>	<i>1.76%</i>
<i>Probation Study</i>	<i>\$697.50</i>	<i>0.52%</i>
<i>Occupational Therapy, City Hospital</i>	<i>\$600.13</i>	<i>0.44%</i>
<i>Teachers Scholarships</i>	<i>\$600.00</i>	<i>0.44%</i>
<i>Marion County Farm</i>	<i>\$302.40</i>	<i>0.22%</i>
<i>Colored Hospital Study</i>	<i>\$187.82</i>	<i>0.14%</i>
<i>James E. Roberts Appliance Fund</i>	<i>\$4.00</i>	<i>0.00%</i>
Administrative Expenses	\$8,540.94	6.32%
Total Disbursements for 1927	\$135,225.51	100.00%

Source: "Financial Reports Attached to January Director's Report, 1928" Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1928(1)" Box 2, Folder 3, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Indianapolis Foundation, 1928 Disbursements

	Amount for the Year	Percentage of Disbursements
Grant Disbursements	\$126,341.80	92.74%
<i>Delavan Smith Athletic Field</i>	<i>\$24,865.18</i>	<i>18.25%</i>
<i>Y.W.C.A. Phyllis Wheatley Branch (Building Campaign Fund)</i>	<i>\$18,500.00</i>	<i>13.58%</i>
<i>Indianapolis Community Fund</i>	<i>\$13,750.00</i>	<i>10.09%</i>
<i>Indianapolis Employment Bureau</i>	<i>\$12,000.00</i>	<i>8.81%</i>
<i>School for Crippled Children</i>	<i>\$11,016.33</i>	<i>8.09%</i>
<i>Public Health Nursing Association</i>	<i>\$7,486.36</i>	<i>5.50%</i>
<i>Delavan Smith Scholarships</i>	<i>\$7,450.00</i>	<i>5.47%</i>
<i>A.P. Pettis Scholarship Fund</i>	<i>\$5,586.00</i>	<i>4.10%</i>
<i>Indianapolis Teachers College</i>	<i>\$5,000.00</i>	<i>3.67%</i>
<i>Board of Health - Prenatal Clinic</i>	<i>\$4,000.00</i>	<i>2.94%</i>
<i>Sunnyside Sanatorium</i>	<i>\$3,500.00</i>	<i>2.57%</i>
<i>Indianapolis Orphan Asylum</i>	<i>\$3,016.68</i>	<i>2.21%</i>
<i>Wheeler City Mission (Building Campaign Fund)</i>	<i>\$2,500.00</i>	<i>1.84%</i>
<i>Indianapolis Free Kindergarten and Children's Aid Society</i>	<i>\$1,704.21</i>	<i>1.25%</i>
<i>Social Service Scholarships</i>	<i>\$1,570.00</i>	<i>1.15%</i>
<i>Board of Health - Orthodontia Clinic</i>	<i>\$1,500.00</i>	<i>1.10%</i>
<i>Occupational Therapy, City Hospital</i>	<i>\$1,199.16</i>	<i>0.88%</i>
<i>Hospital Survey</i>	<i>\$1,070.88</i>	<i>0.79%</i>
<i>Bedside Equipment</i>	<i>\$600.00</i>	<i>0.44%</i>
<i>James E. Roberts Appliance Fund</i>	<i>\$27.00</i>	<i>0.02%</i>
Administrative Expenses	\$9,891.57	7.26%
Total Disbursements for 1928	\$136,233.37	100.00%

Source: "Financial Reports Attached to January Director's Report, 1929," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1929(1)" Box 2, Folder 5, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Indianapolis Foundation, 1929 Disbursements

	Amount for the Year	Percentage of Disbursements
Grant Disbursements	\$114,059.71	92.59%
<i>Indianapolis Community Fund</i>	<i>\$15,500.00</i>	<i>12.58%</i>
<i>School for Crippled Children</i>	<i>\$12,527.38</i>	<i>10.17%</i>
<i>Indianapolis Employment Bureau</i>	<i>\$12,078.62</i>	<i>9.80%</i>
<i>Indianapolis Orphan Asylum</i>	<i>\$10,801.92</i>	<i>8.77%</i>
<i>Public Health Nursing Association</i>	<i>\$8,794.22</i>	<i>7.14%</i>
<i>Delavan Smith Scholarships</i>	<i>\$8,605.00</i>	<i>6.98%</i>
<i>Delavan Smith Athletic Field</i>	<i>\$7,374.20</i>	<i>5.99%</i>
<i>Additional Funding for Recreational Study</i>	<i>\$7,227.27</i>	<i>5.87%</i>
<i>Psychiatric Service University Hospitals</i>	<i>\$6,657.24</i>	<i>5.40%</i>
<i>Indianapolis Teachers College</i>	<i>\$5,000.00</i>	<i>4.06%</i>
<i>Indianapolis Orphan Asylum Psychiatric Services</i>	<i>\$4,411.29</i>	<i>3.58%</i>
<i>U.S. Census Tracts</i>	<i>\$2,411.08</i>	<i>1.96%</i>
<i>Social Service Scholarships</i>	<i>\$2,400.00</i>	<i>1.95%</i>
<i>Sunnyside Sanatorium</i>	<i>\$2,000.00</i>	<i>1.62%</i>
<i>St. Margaret's Hospital Guild</i>	<i>\$1,850.01</i>	<i>1.50%</i>
<i>City Hospital Admitting Office</i>	<i>\$1,525.00</i>	<i>1.24%</i>
<i>A.P. Pettis Scholarship Fund</i>	<i>\$1,414.00</i>	<i>1.15%</i>
<i>Bedside Equipment</i>	<i>\$1,000.00</i>	<i>0.81%</i>
<i>Occupational Therapy Scholarship</i>	<i>\$785.00</i>	<i>0.64%</i>
<i>Indianapolis Free Kindergarten and Children's Aid Society</i>	<i>\$720.00</i>	<i>0.58%</i>
<i>Teachers Scholarships</i>	<i>\$500.00</i>	<i>0.41%</i>
<i>Sight Conservation Class</i>	<i>\$300.00</i>	<i>0.24%</i>
<i>Initial Recreational Study</i>	<i>\$177.48</i>	<i>0.14%</i>
Administrative Expenses	\$9,134.26	7.41%
Total Disbursements for 1929	\$123,193.97	100.00%

Source: "Financial Reports Attached to January Director's Report, 1930" Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1930(1)" Box 3, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Indianapolis Foundation, 1930 Disbursements

	Amount for the Year	Percentage of Disbursements
Grant Disbursements	\$111,157.84	92.69%
<i>Indianapolis Community Fund</i>	<i>\$18,000.00</i>	<i>15.01%</i>
<i>Indianapolis Orphan Asylum</i>	<i>\$13,250.00</i>	<i>11.05%</i>
<i>Child Guidance Clinic</i>	<i>\$13,049.21</i>	<i>10.88%</i>
<i>Delavan Smith Scholarships</i>	<i>\$12,335.00</i>	<i>10.29%</i>
<i>James E. Roberts School for Crippled Children</i>	<i>\$12,063.72</i>	<i>10.06%</i>
<i>Indianapolis Employment Bureau</i>	<i>\$12,000.00</i>	<i>10.01%</i>
<i>Public Health Nursing Association</i>	<i>\$8,219.00</i>	<i>6.85%</i>
<i>City Hospital Admitting Office</i>	<i>\$5,127.39</i>	<i>4.28%</i>
<i>Indianapolis Teachers College</i>	<i>\$5,000.00</i>	<i>4.17%</i>
<i>St. Margaret's Hospital Guild</i>	<i>\$4,035.83</i>	<i>3.37%</i>
<i>Sunnyside Sanatorium</i>	<i>\$3,000.00</i>	<i>2.50%</i>
<i>Additional Funding for Recreational Study</i>	<i>\$2,199.57</i>	<i>1.83%</i>
<i>Social Service Scholarships</i>	<i>\$830.00</i>	<i>0.69%</i>
<i>Indianapolis Free Kindergarten and Children's Aid Society</i>	<i>\$800.00</i>	<i>0.67%</i>
<i>Hospital Study</i>	<i>\$687.30</i>	<i>0.57%</i>
<i>Sight Conservation Class</i>	<i>\$278.00</i>	<i>0.23%</i>
<i>James E. Roberts Appliance Fund</i>	<i>\$170.00</i>	<i>0.14%</i>
<i>Indianapolis League for the Hard of Hearing</i>	<i>\$100.00</i>	<i>0.08%</i>
<i>U.S. Census Tracts</i>	<i>\$12.82</i>	<i>0.01%</i>
Administrative Expenses	\$8,767.74	7.31%
Total Disbursements for 1930	\$119,925.58	100.00%

Source: "Financial Reports Attached to January Director's Report, 1931," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1931(1)" Box 3, Folder 3, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Indianapolis Foundation, 1931 Disbursements

	Amount for the Year	Percentage of Disbursements
Grant Disbursements	\$74,803.71	89.45%
<i>Delavan Smith Scholarships</i>	<i>\$11,986.75</i>	<i>14.33%</i>
<i>James E. Roberts School for Crippled Children</i>	<i>\$11,927.67</i>	<i>14.26%</i>
<i>Indianapolis Employment Bureau</i>	<i>\$10,000.00</i>	<i>11.96%</i>
<i>Indianapolis Community Fund</i>	<i>\$10,000.00</i>	<i>11.96%</i>
<i>Indianapolis Orphan Asylum</i>	<i>\$10,000.00</i>	<i>11.96%</i>
<i>Public Health Nursing Association</i>	<i>\$8,219.00</i>	<i>9.83%</i>
<i>Child Guidance Clinic</i>	<i>\$4,361.09</i>	<i>5.21%</i>
<i>Sunnyside Sanatorium</i>	<i>\$3,000.00</i>	<i>3.59%</i>
<i>St. Margaret's Hospital Guild</i>	<i>\$2,260.00</i>	<i>2.70%</i>
<i>Indianapolis Free Kindergarten and Children's Aid Society</i>	<i>\$1,200.00</i>	<i>1.43%</i>
<i>Indianapolis League for the Hard of Hearing</i>	<i>\$700.00</i>	<i>0.84%</i>
<i>Sight Conservation Class</i>	<i>\$547.38</i>	<i>0.65%</i>
<i>James E. Roberts Appliance Fund</i>	<i>\$506.15</i>	<i>0.61%</i>
<i>Board of Children's Guardians</i>	<i>\$95.67</i>	<i>0.11%</i>
Administrative Expenses	\$8,827.15	10.55%
Total Disbursements for 1931	\$83,630.86	100.00%

Source: "Financial Reports Attached to January Director's Report, 1932," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1932" Box 3, Folder 5, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Indianapolis Foundation, 1932 Disbursements

	Amount for the Year	Percentage of Disbursements
Grant Disbursements	\$70,734.20	88.99%
<i>James E. Roberts School for Crippled Children</i>	<i>\$13,570.26</i>	<i>17.07%</i>
<i>Delavan Smith Scholarships</i>	<i>\$13,325.00</i>	<i>16.76%</i>
<i>Indianapolis Employment Bureau</i>	<i>\$11,000.00</i>	<i>13.84%</i>
<i>Indianapolis Community Fund</i>	<i>\$10,000.00</i>	<i>12.58%</i>
<i>Indianapolis Orphan Asylum</i>	<i>\$9,000.00</i>	<i>11.32%</i>
<i>Public Health Nursing Association</i>	<i>\$7,135.80</i>	<i>8.98%</i>
<i>St. Margaret's Hospital Guild</i>	<i>\$4,550.00</i>	<i>5.72%</i>
<i>Sunnyside Sanatorium</i>	<i>\$1,500.00</i>	<i>1.89%</i>
 <i>Indianapolis League for the Hard of Hearing</i>	 <i>\$400.00</i>	 <i>0.50%</i>
<i>Sight Conservation Class</i>	<i>\$253.14</i>	<i>0.32%</i>
Administrative Expenses	\$8,750.69	11.01%
Total Disbursements for 1932	\$79,484.89	100.00%

Source: "Financial Reports Attached to January Director's Report, 1933," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1933" Box 3, Folder 6, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Indianapolis Foundation, 1933 Disbursements

	Amount for the Year	Percentage of Disbursements
Grant Disbursements	\$84,847.12	91.40%
Indianapolis Community Fund	\$35,000.00	37.70%
James E. Roberts School for Crippled Children	\$15,947.04	17.18%
Public Health Nursing Association	\$8,583.00	9.25%
Delavan Smith Scholarships	\$6,690.00	7.21%
A.P. Pettis Scholarship Fund	\$5,000.00	5.39%
St. Margaret's Hospital Guild	\$4,733.33	5.10%
Indianapolis Employment Bureau	\$4,000.00	4.31%
Indianapolis Orphan Asylum	\$3,500.00	3.77%
Indianapolis League for the Hard of Hearing	\$600.00	0.65%
Sunnyside Sanatorium	\$500.00	0.54%
Sight Conservation Class	\$200.00	0.22%
Indiana Symphony Orchestra Association	\$50.00	0.05%
Board of Children's Guardians	\$43.75	0.05%
Administrative Expenses	\$7,982.77	8.60%
Total Disbursements for 1933	\$92,829.89	100.00%

Source: "Financial Reports Attached to January Director's Report, 1934," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1934" Box 4, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Indianapolis Foundation, 1934 Disbursements

	Amount for the Year	Percentage of Disbursements
Grant Disbursements	\$83,385.43	91.07%
Indianapolis Community Fund	\$35,000.00	38.22%
James E. Roberts School for Crippled Children	\$16,161.88	17.65%
Public Health Nursing Association	\$7,500.00	8.19%
Indianapolis Orphan Asylum	\$6,000.00	6.55%
St. Margaret's Hospital Guild	\$5,916.67	6.46%
A.P. Pettis Scholarship Fund	\$5,500.00	6.01%
City Board of Health - Dental Clinics	\$3,497.58	3.82%
Indianapolis Flower Mission Society Hospital	\$1,500.00	1.64%
Delavan Smith Scholarships	\$1,300.00	1.42%
Indianapolis League for the Hard of Hearing	\$400.00	0.44%
Scholarship for School for Crippled Children	\$250.00	0.27%
Marion County Detention Home	\$209.30	0.23%
Sight Conservation Class	\$100.00	0.11%
Indiana Symphony Orchestra Association	\$50.00	0.05%
Administrative Expenses	\$8,179.04	8.93%
Total Disbursements for 1934	\$91,564.47	100.00%

Source: ""Report of an Examination of the Records of the Indianapolis Foundation For the Year, 1934," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1934" Box 4, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Indianapolis Foundation, 1935 Disbursements

	Amount for the Year	Percentage of Disbursements
Grant Disbursements	\$89,403.36	91.68%
<i>Indianapolis Community Fund</i>	<i>\$25,000.00</i>	<i>25.64%</i>
<i>James E. Roberts School for Crippled Children</i>	<i>\$17,182.91</i>	<i>17.62%</i>
<i>Indianapolis Orphans Asylum</i>	<i>\$15,000.00</i>	<i>15.38%</i>
<i>High School and College Scholarships</i>	<i>\$13,575.00</i>	<i>13.92%</i>
<i>Public Health Nursing Association</i>	<i>\$7,500.00</i>	<i>7.69%</i>
<i>Camp Fire Girls - Camp Improvements</i>	<i>\$5,000.00</i>	<i>5.13%</i>
<i>Hard of Hearing Demonstration Project</i>	<i>\$2,061.66</i>	<i>2.11%</i>
<i>Indiana State Symphony Society</i>	<i>\$1,350.00</i>	<i>1.38%</i>
<i>St. Margaret's Hospital Guild</i>	<i>\$1,183.33</i>	<i>1.21%</i>
<i>Marion County Board of Guardians - Recreation Facilities</i>	<i>\$650.46</i>	<i>0.67%</i>
<i>Indianapolis League for the Hard of Hearing</i>	<i>\$600.00</i>	<i>0.62%</i>
<i>Boy Scouts of America - Camp Medical Service</i>	<i>\$200.00</i>	<i>0.21%</i>
<i>Sight Conservation Class</i>	<i>\$100.00</i>	<i>0.10%</i>
Administrative Expenses	\$8,109.01	8.32%
Total Disbursements for 1935	\$97,512.37	100.00%

Source: "Report for the Year Ending, 1935," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1935" Box 4, Folder 2, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Indianapolis Foundation, 1936 Disbursements

	Amount for the Year	Percentage of Disbursements
Grant Disbursements	\$99,004.45	92.19%
Indianapolis Community Fund	\$25,000.00	23.28%
James E. Roberts School for Crippled Children	\$18,423.81	17.16%
Indianapolis Orphans Asylum	\$15,000.00	13.97%
High School and College Scholarships	\$12,000.00	11.17%
Christamore Settlement - Purchase of Summer Camp Site	\$9,500.00	8.85%
Public Health Nursing Association	\$7,500.00	6.98%
St. Margaret's Hospital Guild	\$3,550.00	3.31%
Indiana State Symphony Society	\$2,000.00	1.86%
Seven District Federation of Clubs	\$2,000.00	1.86%
Hard of Hearing Demonstration Project	\$1,901.54	1.77%
Y.W.C.A. - Recreation Study	\$1,200.00	1.12%
Indianapolis League for the Hard of Hearing	\$650.00	0.61%
Marion County Detention Home - Playground Facilities	\$150.00	0.14%
Marion County Board of Guardians - Recreation Facilities	\$129.10	0.12%
Administrative Expenses	\$8,384.01	7.81%
Total Disbursements for 1936	\$107,388.46	100.00%

Source: "Report for the Year Ending, 1936," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1936" Box 4, Folder 3, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Indianapolis Foundation, 1937 Disbursements

	Amount for the Year	Percentage of Disbursements
Grant Disbursements	\$102,831.66	91.44%
<i>Indianapolis Community Fund</i>	\$25,000.00	22.23%
<i>James E. Roberts School for Crippled Children</i>	\$16,639.85	14.80%
<i>Indianapolis Orphans Asylum</i>	\$15,000.00	13.34%
<i>High School and College Scholarships</i>	\$9,754.09	8.67%
<i>Public Health Nursing Association</i>	\$7,500.00	6.67%
<i>Boy Scouts of America - Camp Medical Service</i>	\$6,500.00	5.78%
<i>Y.M.C.A. - Dormitory Rehabilitation</i>	\$6,000.00	5.34%
<i>Indiana State Symphony Society</i>	\$5,000.00	4.45%
<i>St. Margaret's Hospital Guild</i>	\$3,550.00	3.16%
<i>Indianapolis council of Social Agencies - Juvenile Delinquency Study</i>	\$3,000.00	2.67%
<i>Psychological and Psychiatric Demonstration</i>	\$2,856.66	2.54%
<i>Indianapolis League for the Hard of Hearing</i>	\$850.00	0.76%
<i>Katherine Daniels Memorial Fund - Social Service Scholarships</i>	\$500.00	0.44%
<i>James E. Roberts Cemetery Lot</i>	\$500.00	0.44%
<i>City Hospital - Anti-Syphilis Campaign</i>	\$150.00	0.13%
<i>Hard of Hearing Demonstration Project</i>	\$26.46	0.02%
<i>Sight Conservation Class</i>	\$4.60	0.00%
Administrative Expenses	\$9,621.36	8.56%
Total Disbursements for 1937	\$112,453.02	100.00%

Source: "Report for the Year Ending, 1937," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1937" Box 4, Folder 5, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Indianapolis Foundation, 1938 Disbursements

	Amount for the Year	Percentage of Disbursements
Grant Disbursements	\$103,662.40	91.76%
<i>Indianapolis Community Fund</i>	<i>\$25,000.00</i>	<i>22.13%</i>
<i>James E. Roberts School for Crippled Children</i>	<i>\$21,883.36</i>	<i>19.37%</i>
<i>Indianapolis Orphans Asylum</i>	<i>\$15,000.00</i>	<i>13.28%</i>
<i>High School and College Scholarships</i>	<i>\$13,000.00</i>	<i>11.51%</i>
<i>Public Health Nursing Association</i>	<i>\$9,843.97</i>	<i>8.71%</i>
<i>Indiana State Symphony Society</i>	<i>\$5,000.00</i>	<i>4.43%</i>
<i>Flanner House - African American Study</i>	<i>\$4,000.00</i>	<i>3.54%</i>
<i>Psychological and Psychiatric Demonstration</i>	<i>\$3,628.32</i>	<i>3.21%</i>
<i>St. Margaret's Hospital Guild</i>	<i>\$3,550.00</i>	<i>3.14%</i>
<i>Indianapolis Park Board - Recreational Equipment</i>	<i>\$1,000.00</i>	<i>0.89%</i>
<i>City Hospital - Appropriation for Equipment</i>	<i>\$906.75</i>	<i>0.80%</i>
<i>Indianapolis League for the Hard of Hearing</i>	<i>\$850.00</i>	<i>0.75%</i>
Administrative Expenses	\$9,303.31	8.24%
Total Disbursements for 1938	\$112,965.71	100.00%

Source: "Report for the Year Ending, 1938," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1938" Box 5, Folder 2, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Indianapolis Foundation, 1939 Disbursements

	Amount for the Year	Percentage of Disbursements
Grant Disbursements	\$110,072.92	92.15%
<i>Indianapolis Community Fund</i>	<i>\$25,000.00</i>	<i>20.93%</i>
<i>James E. Roberts School for Crippled Children</i>	<i>\$21,999.75</i>	<i>18.42%</i>
<i>High School and College Scholarships</i>	<i>\$17,301.85</i>	<i>14.48%</i>
<i>Indianapolis Orphans Asylum</i>	<i>\$15,000.00</i>	<i>12.56%</i>
<i>Public Health Nursing Association</i>	<i>\$9,844.00</i>	<i>8.24%</i>
<i>Indiana State Symphony Society</i>	<i>\$5,000.00</i>	<i>4.19%</i>
 <i>Psychological and Psychiatric Demonstration</i>	 <i>\$4,564.72</i>	 <i>3.82%</i>
<i>St. Margaret's Hospital Guild</i>	<i>\$3,550.00</i>	<i>2.97%</i>
<i>City Hospital - Cancer Clinic</i>	<i>\$3,112.10</i>	<i>2.61%</i>
<i>Y.W.C.A. - Recreation Programs</i>	<i>\$2,025.50</i>	<i>1.70%</i>
<i>Camp Fire Girls - Camp Improvements</i>	<i>\$1,000.00</i>	<i>0.84%</i>
 <i>Indianapolis League for the Hard of Hearing</i>	 <i>\$850.00</i>	 <i>0.71%</i>
<i>Indianapolis Park Board - Recreational Equipment</i>	<i>\$825.00</i>	<i>0.69%</i>
Administrative Expenses	\$9,378.24	7.85%
Total Disbursements for 1939	\$119,451.16	100.00%

Source: "Report for the Year Ending, 1939," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1939" Box 5, Folder 3, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Indianapolis Foundation, 1940 Disbursements

	Amount for the Year	Percentage of Disbursements
Grant Disbursements	\$96,634.40	91.15%
<i>Indianapolis Community Fund</i>	\$25,000.00	23.58%
<i>James E. Roberts School for Crippled Children</i>	\$20,973.75	19.78%
<i>Indianapolis Orphans Asylum</i>	\$13,500.00	12.73%
<i>High School and College Scholarships</i>	\$11,016.51	10.39%
<i>Public Health Nursing Association</i>	\$9,844.00	9.29%
<i>Flanner House - Building Campaign</i>	\$4,500.00	4.24%
<i>St. Margaret's Hospital Guild</i>	\$3,783.33	3.57%
<i>City Hospital - Cancer Clinic</i>	\$2,500.00	2.36%
 <i>Psychological and Psychiatric Demonstration</i>	 \$1,806.81	 1.70%
<i>Y.W.C.A. - Recreation Programs</i>	\$1,660.00	1.57%
<i>Theodora Home Campaign</i>	\$1,200.00	1.13%
 <i>Indianapolis League for the Hard of Hearing</i>	 \$850.00	 0.80%
Administrative Expenses	\$9,382.40	8.85%
Total Disbursements for 1940	\$106,016.80	100.00%

Source: "Report for the Year Ending, 1940," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1940" Box 5, Folder 5, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Indianapolis Foundation, 1941 Disbursements

	Amount for the Year	Percentage of Disbursements
Grant Disbursements	\$111,476.81	92.25%
<i>Indianapolis Community Fund</i>	<i>\$25,000.00</i>	<i>20.69%</i>
<i>James E. Roberts School for Crippled Children</i>	<i>\$21,128.32</i>	<i>17.48%</i>
<i>High School and College Scholarships</i>	<i>\$15,483.49</i>	<i>12.81%</i>
<i>Indianapolis Orphans Asylum</i>	<i>\$12,000.00</i>	<i>9.93%</i>
<i>Public Health Nursing Association</i>	<i>\$9,844.00</i>	<i>8.15%</i>
<i>Indianapolis Bar Association - Indianapolis Legal Aid Bureau</i>	<i>\$6,250.00</i>	<i>5.17%</i>
<i>Indiana State Symphony Society</i>	<i>\$5,050.00</i>	<i>4.18%</i>
<i>Indianapolis Day Nursery Association</i>	<i>\$5,000.00</i>	<i>4.14%</i>
<i>St. Margaret's Hospital Guild</i>	<i>\$4,250.00</i>	<i>3.52%</i>
<i>Flanner House - Building Campaign</i>	<i>\$3,000.00</i>	<i>2.48%</i>
<i>City Hospital - Cancer Clinic</i>	<i>\$2,000.00</i>	<i>1.66%</i>
<i>Y.W.C.A. - Recreation Programs</i>	<i>\$1,330.00</i>	<i>1.10%</i>
<i>Indianapolis League for the Hard of Hearing</i>	<i>\$850.00</i>	<i>0.70%</i>
<i>City Hospital - Tuberculosis Department</i>	<i>\$291.00</i>	<i>0.24%</i>
Administrative Expenses	\$9,360.25	7.75%
Total Disbursements for 1941	\$120,837.06	100.00%

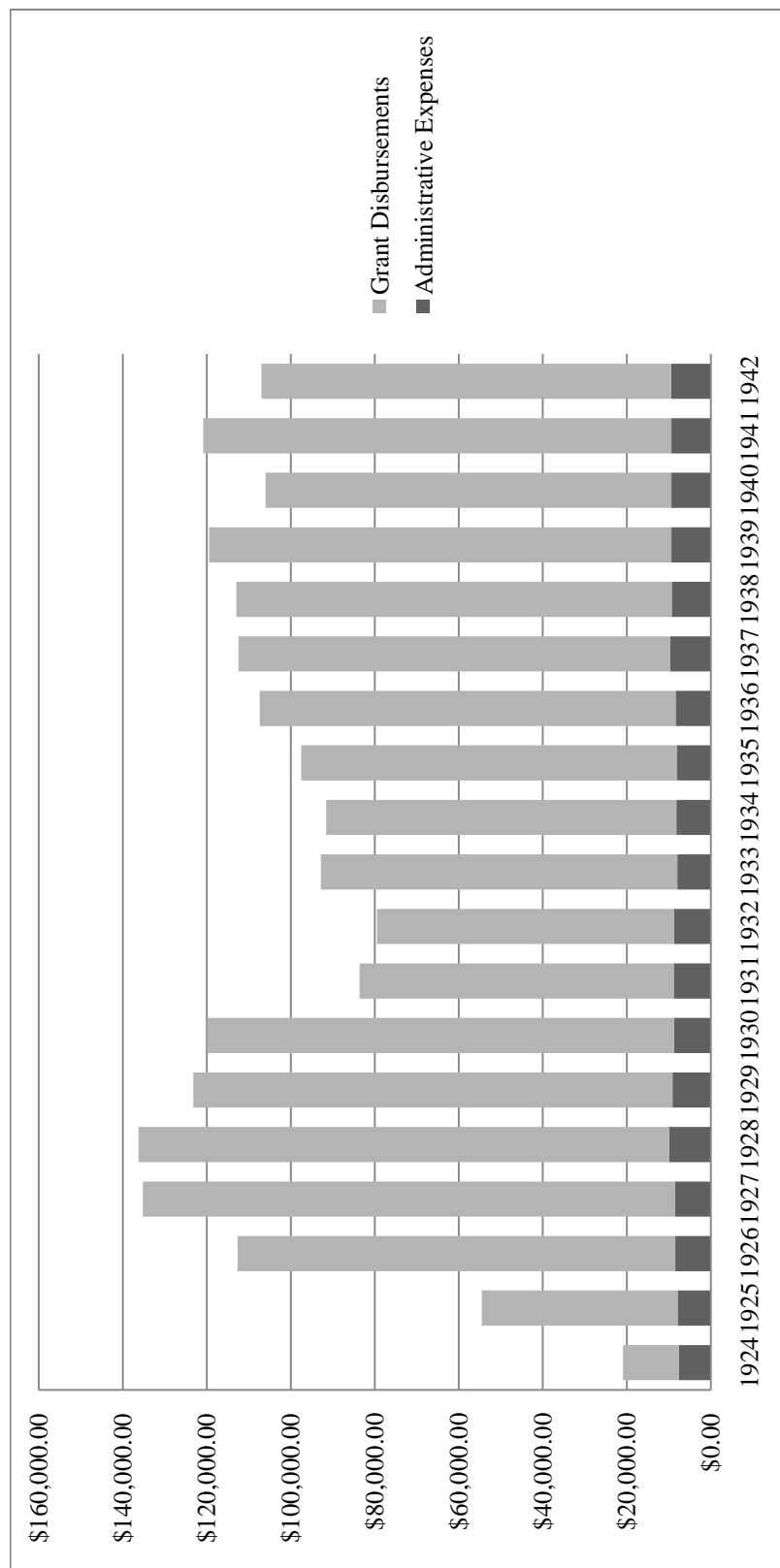
Source: "Report for the Year Ending, 1941," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1941(1)" Box 6, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Indianapolis Foundation, 1942 Disbursements

	Amount for the Year	Percentage of Disbursements
Grant Disbursements	\$97,535.17	91.18%
<i>Indianapolis Community Fund</i>	<i>\$25,000.00</i>	<i>23.37%</i>
<i>James E. Roberts School for Crippled Children</i>	<i>\$21,315.30</i>	<i>19.93%</i>
<i>Public Health Nursing Association</i>	<i>\$10,620.00</i>	<i>9.93%</i>
<i>Indianapolis Orphans Asylum</i>	<i>\$10,500.00</i>	<i>9.82%</i>
<i>High School and College Scholarships</i>	<i>\$9,624.51</i>	<i>9.00%</i>
<i>Indiana State Symphony Society</i>	<i>\$5,050.00</i>	<i>4.72%</i>
<i>St. Margaret's Hospital Guild</i>	<i>\$4,538.34</i>	<i>4.24%</i>
<i>City Hospital - Cancer Clinic</i>	<i>\$3,000.00</i>	<i>2.80%</i>
<i>Flanner House - Building Campaign</i>	<i>\$3,000.00</i>	<i>2.80%</i>
<i>Indianapolis Bar Association - Indianapolis Legal Aid Bureau</i>	<i>\$2,437.02</i>	<i>2.28%</i>
<i>Y.W.C.A. - Recreation Programs</i>	<i>\$1,450.00</i>	<i>1.36%</i>
<i>Indianapolis League for the Hard of Hearing</i>	<i>\$850.00</i>	<i>0.79%</i>
<i>City Hospital - Outpatient Department</i>	<i>\$150.00</i>	<i>0.14%</i>
Administrative Expenses	\$9,437.02	8.82%
Total Disbursements for 1942	\$106,972.19	100.00%

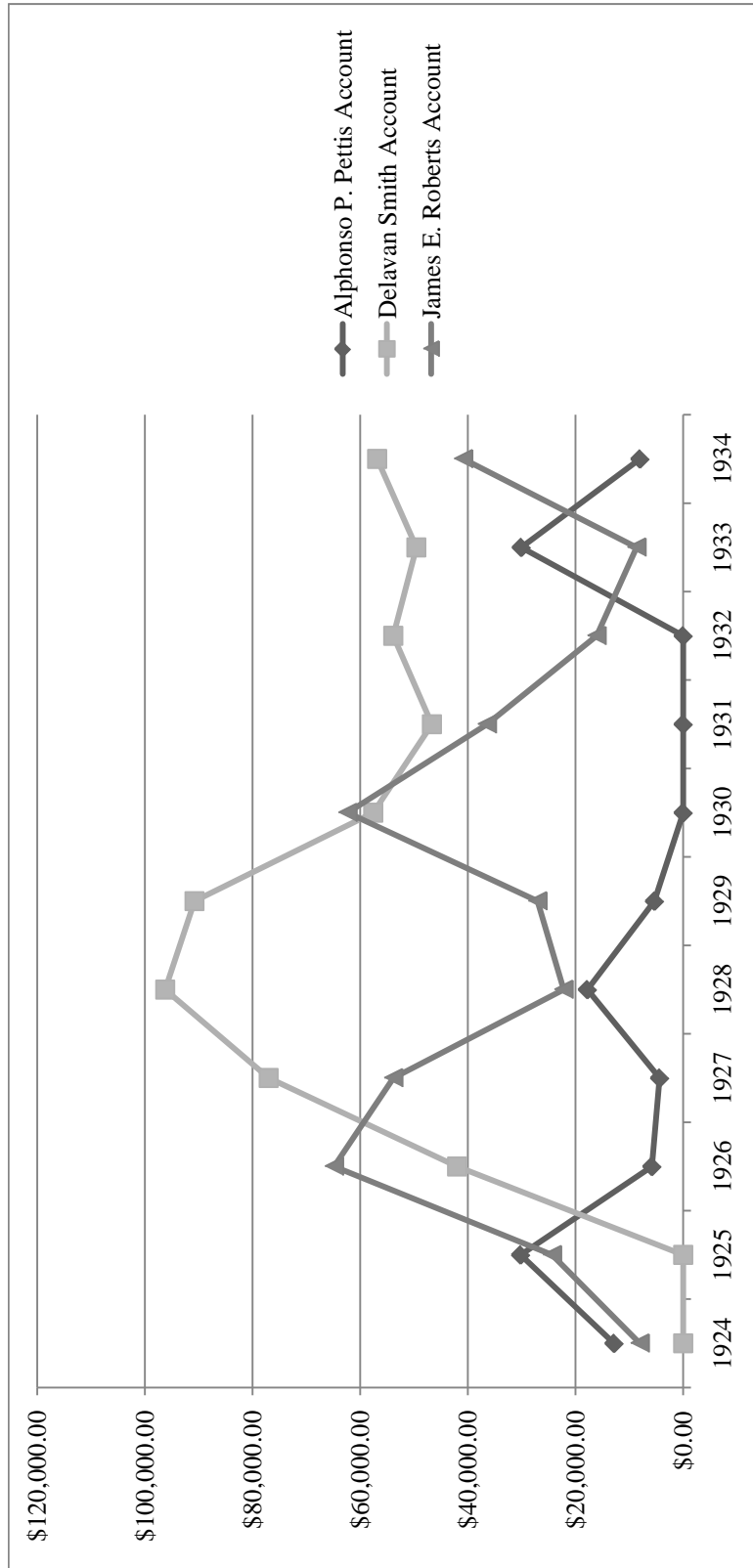
Source: "Report for the Year Ending, 1942," Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1942" Box 6, Folder 3, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Indianapolis Foundation Disbursements, 1924-1942, Annual Comparison



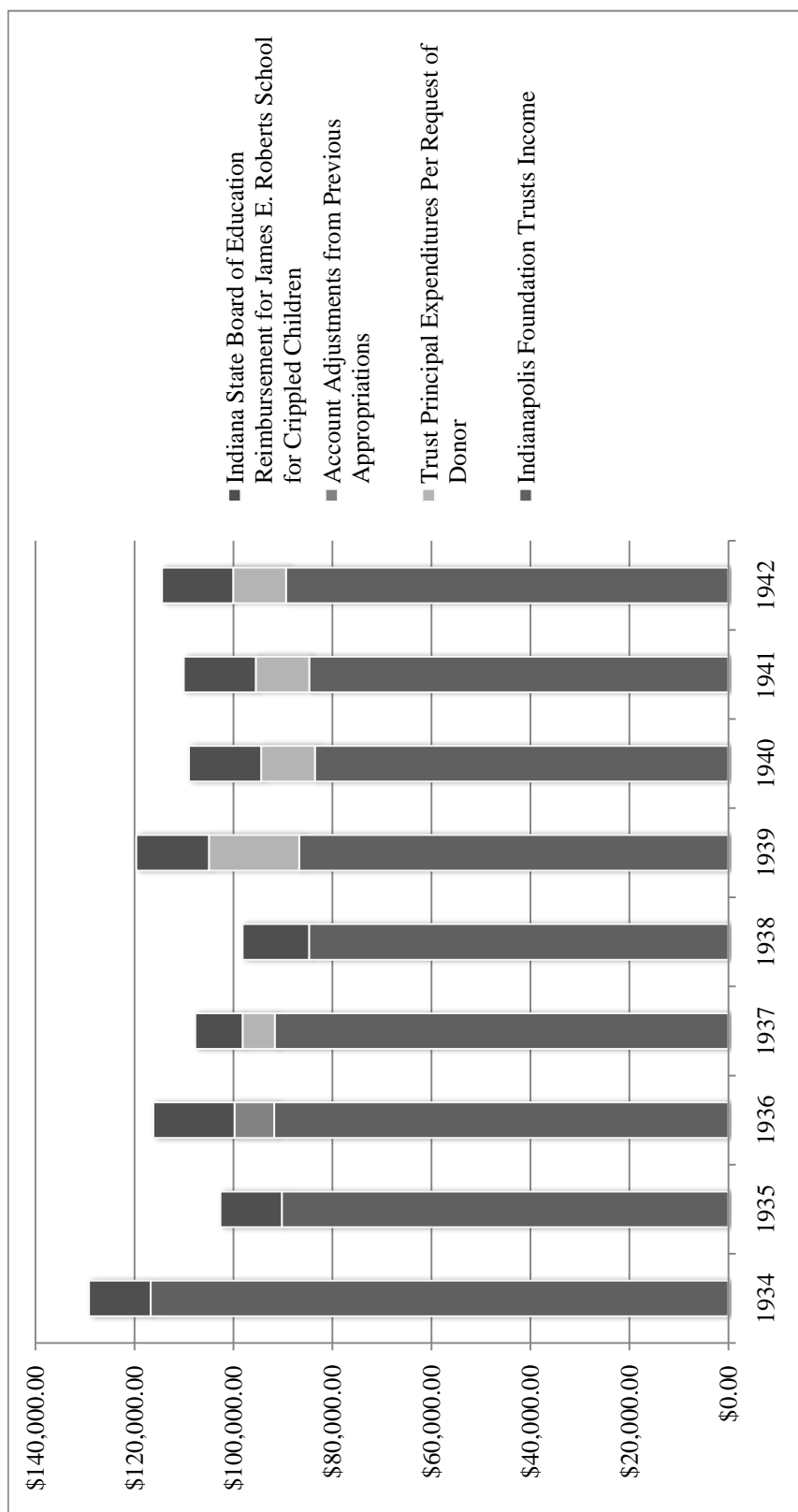
Source: "Financial Reports Attached to January Director's Report," 1924-1934, "Report for Year Ending," 1935-1942, Indianapolis Foundation, "MSS49 Board of Trustees Minutes" Boxes 1-6, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Individual Trust Disbursement Commitments, 1924-1934, Annual Comparison



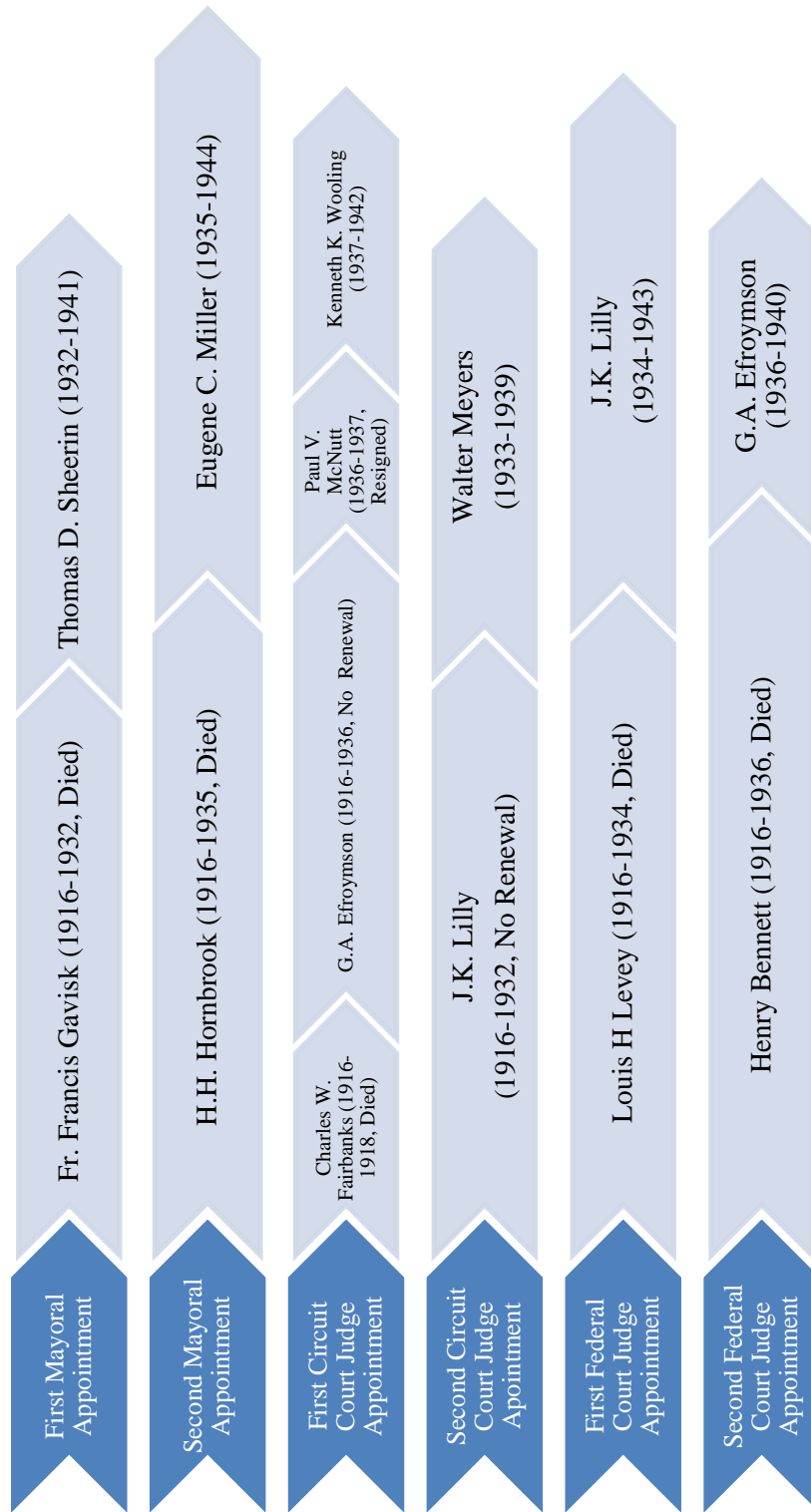
Source: "Financial Reports Attached to January Director's Report," 1924-1934, Indianapolis Foundation, "MSS49 Board of Trustees Minutes" Boxes 1-4, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Funding Sources for Indianapolis Foundation Expenditures, 1934-1942, Annual Comparison



Source: "Financial Reports Attached to January Director's Report," 1934, "Report for Year Ending," 1935-1942, Indianapolis Foundation, "MSS49 Board of Trustees Minutes" Boxes 4-6, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

Indianapolis Foundation Board of Trustees' Tenures, 1916-1939



Source: "January 21, 1938 Board of Trustees Minutes," MSS49 Board of Trustees, Minutes, 1938 (1), 5/1. Indianapolis Foundation, "MSS49 Board of Trustees Minutes, 1938 (1)" Box 5, Folder 1, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.

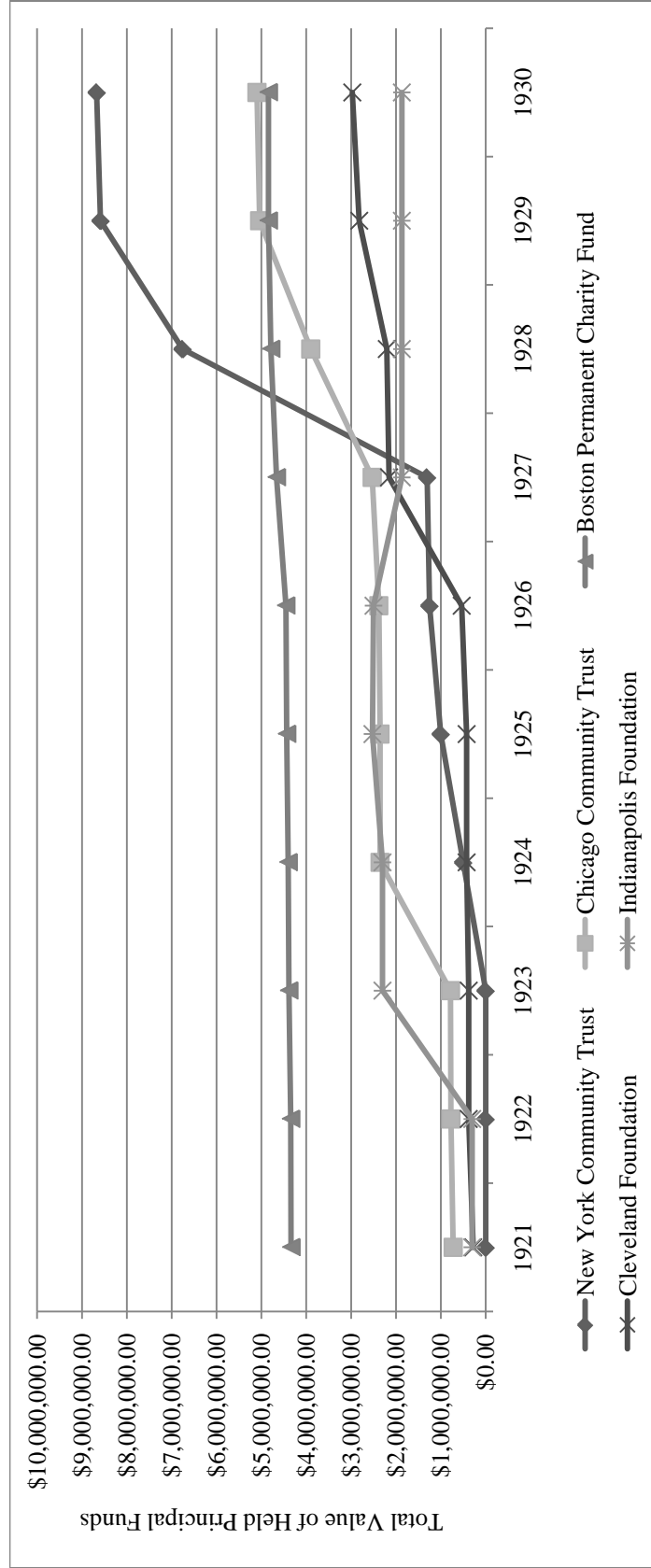
APPENDIX B: GENERAL COMMUNITY FOUNDATION INFORMATION

The First Seventy-four Community Foundations, 1914-1931

- Cleveland Foundation, 1914
- St. Louis Community Trust, 1915
- Spokane Foundation, 1915
- California Community Foundation, 1915
- Chicago Community Trust, 1915
- Milwaukee Foundation, 1915
- Attleboro Foundation, 1915
- Minneapolis Foundation, 1915
- Boston Permanent Charity Fund, 1915
- Detroit Community Trust, 1915
- Seattle Community Trust, 1915
- Sioux City Common Fund, 1915
- Indianapolis Foundation, 1916
- Louisville Foundation, 1916
- Rhode Island Foundation, 1916
- Hawaiian Foundation, 1916
- Cambridge Foundation, 1916
- Williamsport Foundation, 1916
- New Orleans Foundation, 1918
- Worcester Co. Charitable Foundation, 1918
- Philadelphia Foundation, 1918
- Peoria Community Trust, 1918
- Youngstown Foundation, 1918
- Washington Foundation (D.C.), 1919
- Richmond Foundation, 1919
- Salisbury Foundation, 1919
- High Point Foundation, 1919
- Winston-Salem Foundation, 1919
- Community Trust for Newark and Vicinity, 1919
- Asheville Foundation, 1919
- Permanent Community Trust (Tulsa), 1919
- Buffalo Foundation, 1920
- Delaware Foundation, 1920
- New York Community Trust, 1920
- Baltimore Community Foundation, 1920
- Plainfield Foundation, 1920
- Harrisburg Foundation, 1920
- Portland Foundation, 1920
- Maine Charity Foundation, 1921
- Atlanta Foundation, 1921
- Dayton Foundation, 1921
- Toledo Foundation, 1921
- Winnipeg Foundation, 1921
- Grand Rapids Foundation, 1922
- Scarsdale Foundation, 1923
- Beaver Co. Foundation, 1923
- Walla Walla Foundation, 1923
- Fort Wayne Foundation, 1923
- Sangamon Co. Foundation, 1924
- Lancaster Community Trust, 1924
- Poughkeepsie Community Trust, 1925
- Community Trust of Princeton, 1925
- Hartford Foundation Public Giving, 1925
- The Denver Foundation, 1925
- Akron Foundation, 1925
- Van Wert Co. Foundation, 1925
- Oklahoma City Community Trust, 1926
- New Brunswick Foundation, 1926
- Kenosha Foundation, 1926
- New Haven Foundation, 1927
- Syracuse Foundation, 1927
- Pendleton Foundation, 1928
- Martha's Vineyard Foundation, 1928
- Reading Foundation, 1928
- Waterbury Foundation, 1928
- Watertown Foundation, 1929
- Mississippi Foundation, 1929
- Charlotte Foundation, 1930
- Salem Foundation, 1930
- Alameda Co. Community Foundation, 1930
- Dallas Community Trust, 1930
- La Crosse Community Trust, 1930
- The Vermont Foundation, 1931
- Richmond Community Foundation, 1931

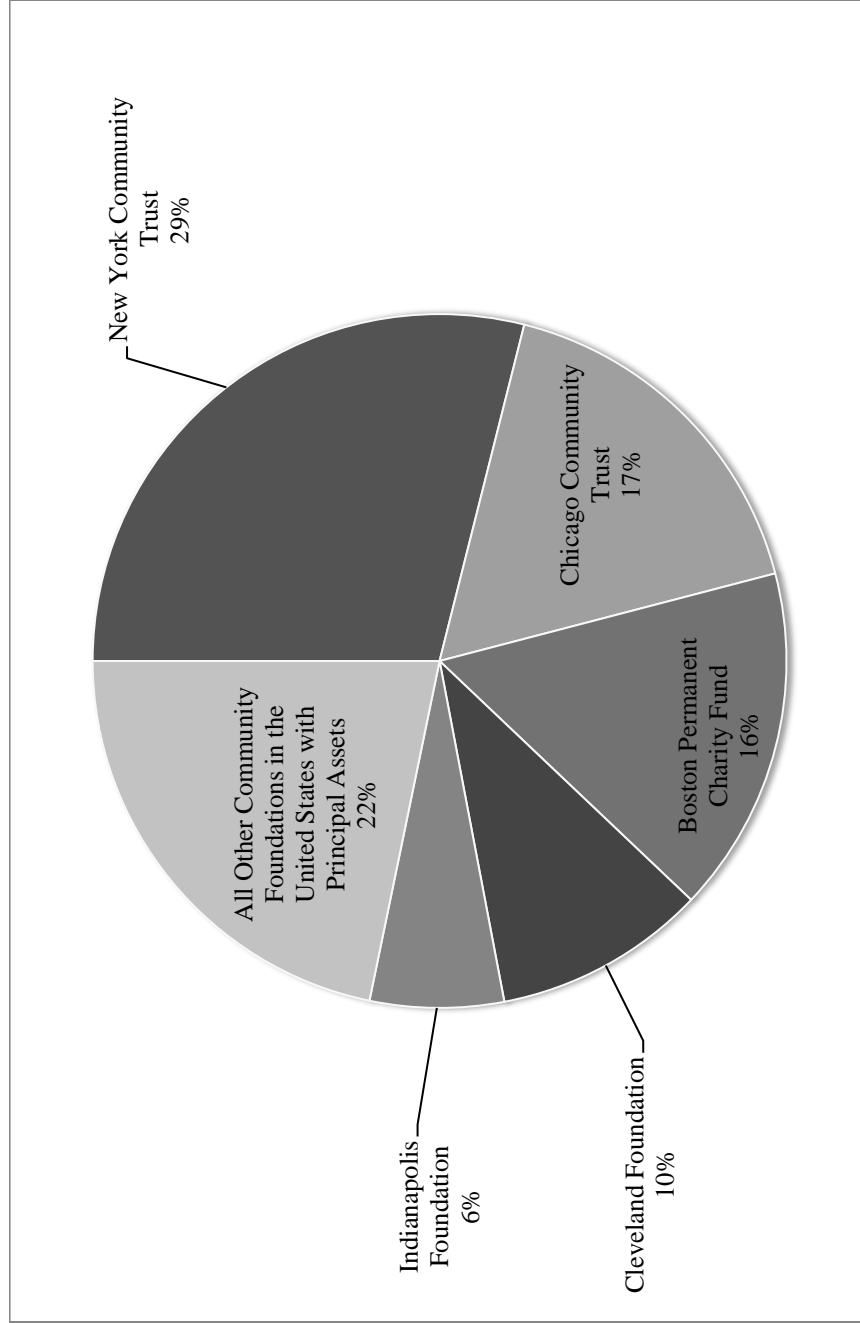
Source: American Bankers Associations, *Community trusts in the United States and Canada; a survey of existing trusts, with suggestions for organizing and developing new foundations*, (New York, NY: Trust Company Division, American Bankers Association, 1931), 20.

Principal Asset Growth Among the Five Largest United States Community Foundations, 1921-1930



Source: American Bankers Associations, *Community trusts in the United States and Canada; a survey of existing trusts, with suggestions for organizing and developing new foundations*, (New York, NY: Trust Company Division, American Bankers Association, 1931), 29.

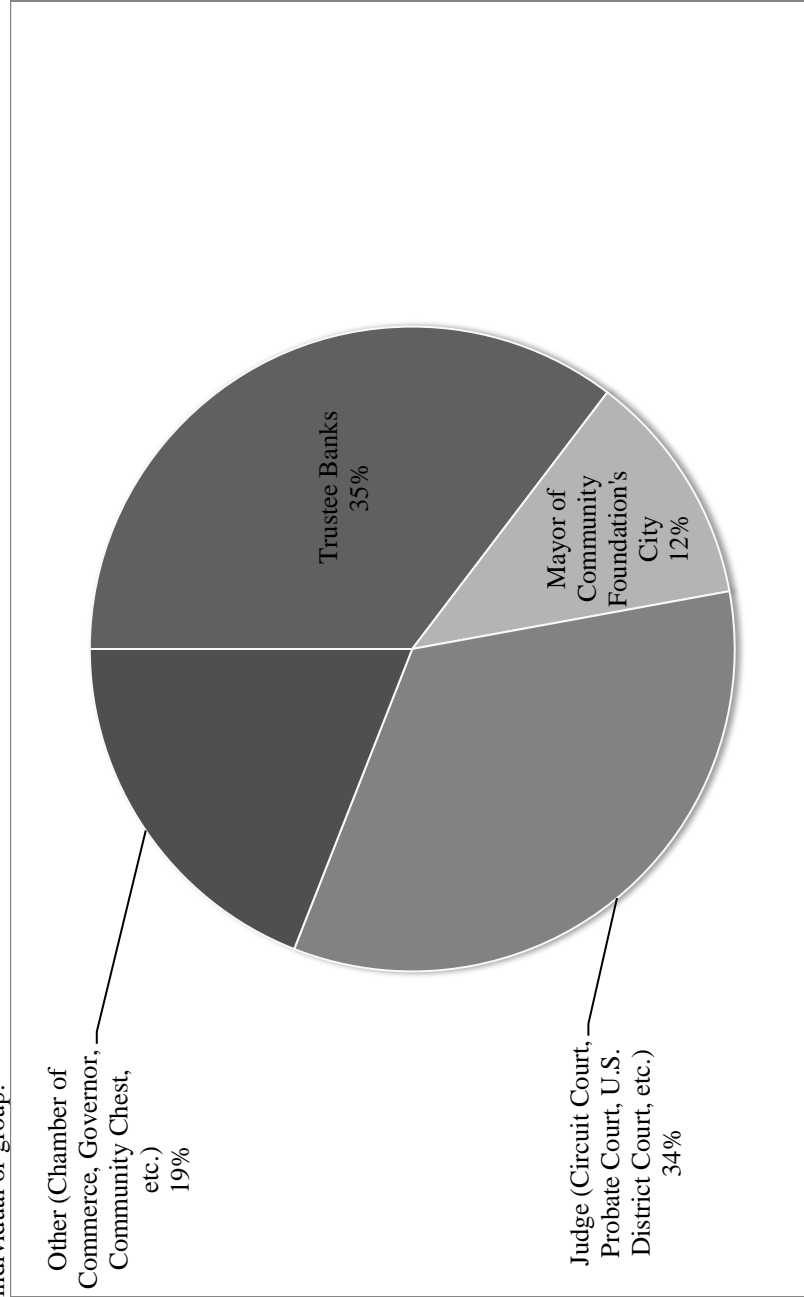
Division of the \$29,978,927.00 in Principal Assets Held by American Community Foundations in 1930



Source: American Bankers Associations, *Community trusts in the United States and Canada; a survey of existing trusts, with suggestions for organizing and developing new foundations*, (New York, NY: Trust Company Division, American Bankers Association, 1931), 19.

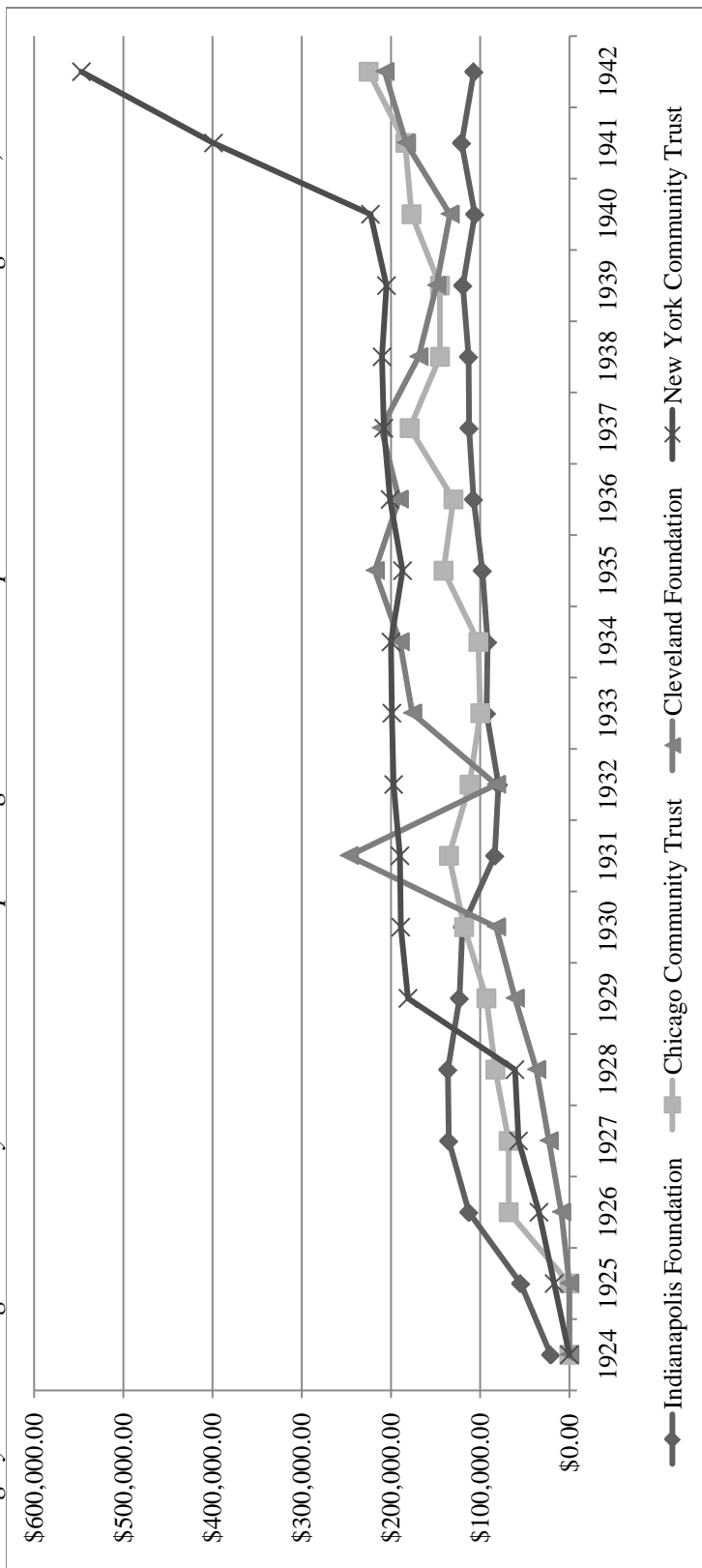
Appointees of Community Foundation Distribution Committee Members

Percentages represent the portion of 331 community foundation distribution committee members appointed by each individual or group.



Source: American Bankers Associations, *Community trusts in the United States and Canada; a survey of existing trusts, with suggestions for organizing and developing new foundations*, (New York, NY: Trust Company Division, American Bankers Association, 1931), 16.

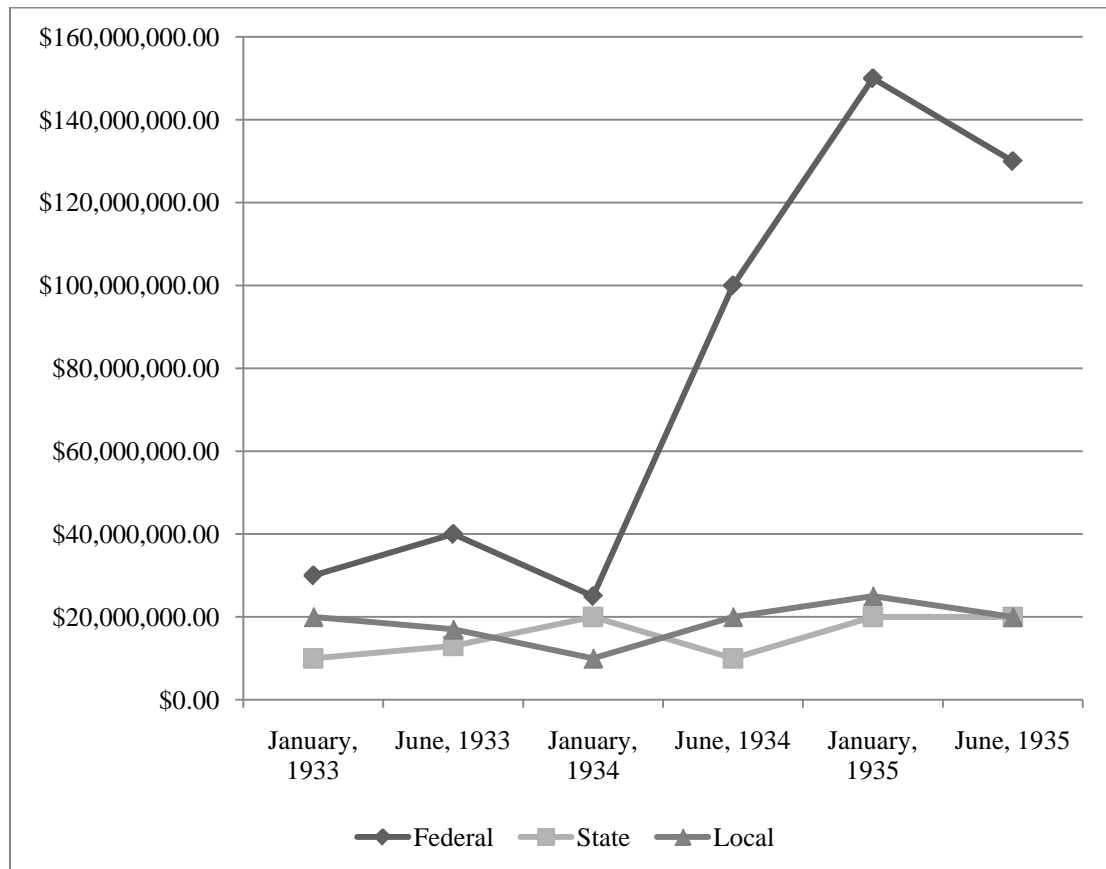
Giving by Three Large Community Foundations Compared Against the Indianapolis Foundation's Giving Trends, 1924-1942



Source: "Financial Reports Attached to January Director's Report," 1924-1934, "Report for Year Ending," 1935-1942, Indianapolis Foundation, "MSS49 Board of Trustees Minutes" Boxes 1-6, Indianapolis Foundation Records, 1916-2000, Ruth Lilly Special Collections and Archives, IUPUI University Library, Indiana University Purdue University Indianapolis.; John Price Jones (ed.), *The Yearbook of Philanthropy: 1945-46*, (New York, NY: The Inter-River Press, 1946), 74.

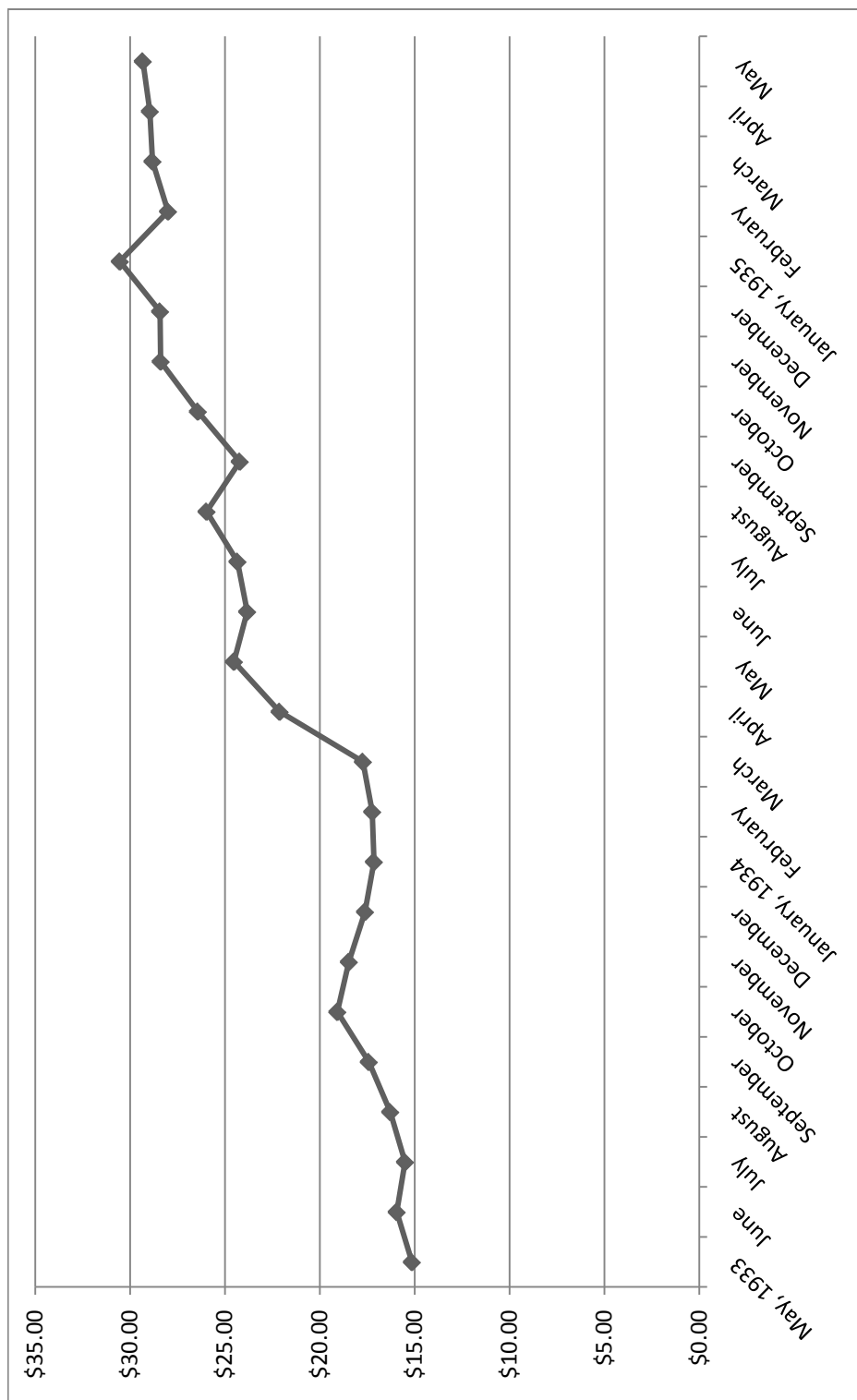
APPENDIX C: GREAT DEPRESSION TRENDS

Monthly Relief Obligations Incurred by Federal, State, and Local Governments, 1933-1935



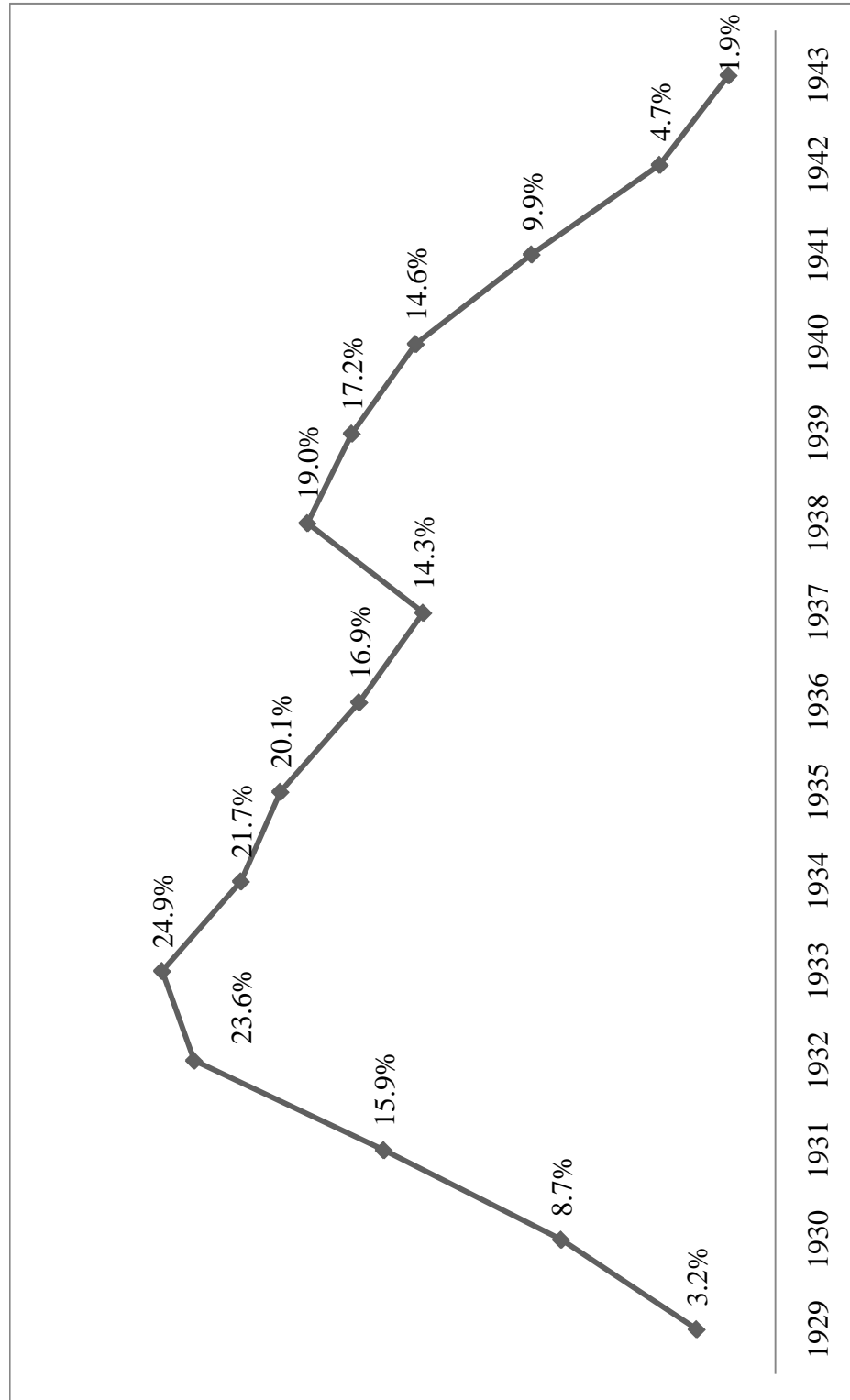
Source: Dorothy C. Khan, *Unemployment and Its Treatment in the United States*, (New York, NY: American Association of Social Workers, 1937), 41.

Average Family Monthly Relief Benefits in the United States, May, 1933 - May, 1935



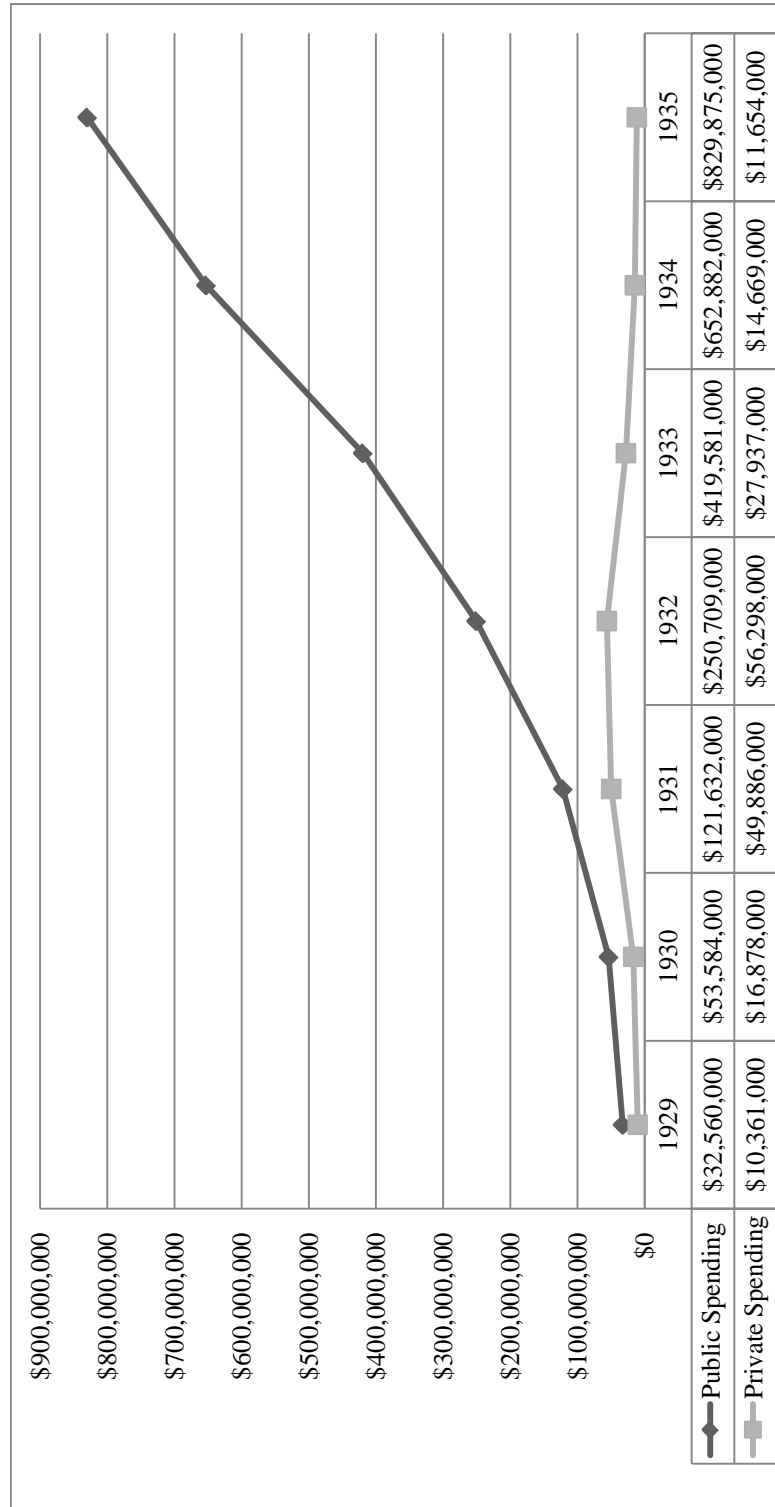
Source: Dorothy C. Khan, *Unemployment and Its Treatment in the United States*, (New York, NY: American Association of Social Workers, 1937), 25.

National Unemployment Rate, United States, 1929-1943



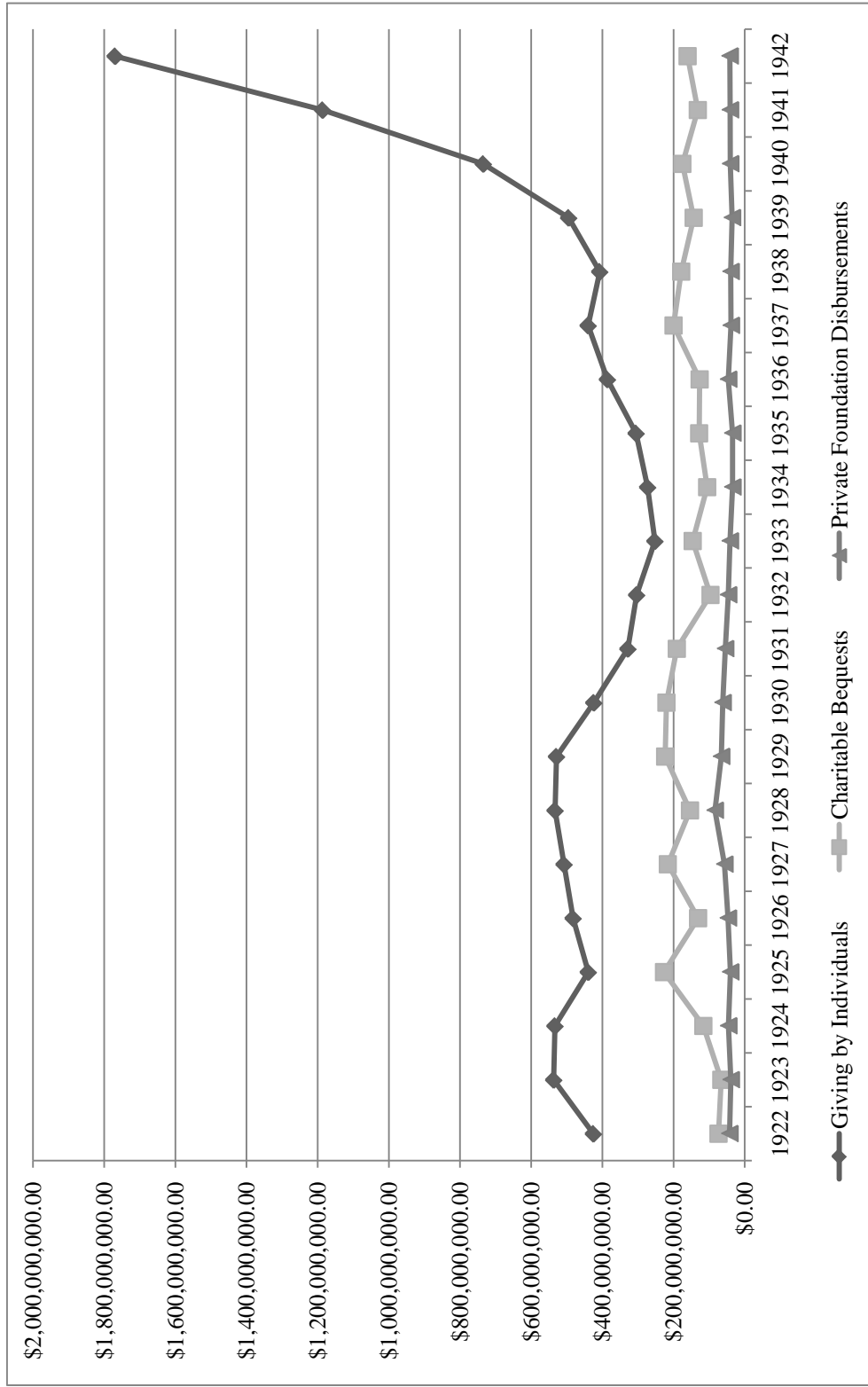
Source: U.S. Department of Labor, *Employment and Earnings*, Vol. 7, No. 1, (Washington D.C.: U.S. Government Printing Office, 1960), 1.

Private vs. Public Spending on Relief Activities in 118 Urban Areas in the United States, 1929-1935



Source: Dorothy C. Khan, *Unemployment and Its Treatment in the United States*, (New York, NY: American Association of Social Workers, 1937), 16.

Philanthropic Giving from Individuals, Bequests, and Private Foundations, 1922-1942 (IRS Returns)



John Price Jones (ed.), *The Yearbook of Philanthropy: 1945-46*, (New York, NY: The Inter-River Press, 1946), 74.

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“Homes Built on Mercy: A History of the Lutheran Church--Missouri Synod’s Involvement in Affordable Housing”

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